Registered number: 10545738

CHESTERFIELD RESOURCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

CHESTERFIELD RESOURCES PLC

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CHESTERFIELD RESOURCES PLC

COMPANY INFORMATION

Directors	Martin French (Executive Chairman) David Cliff Peter Damouni
Company Secretary	Heytesbury Corporate LLP
Registered Office	7-9 Swallow Street London England W1B 4DE
Auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Brokers	Brandon Hill Capital Limited 1 Tudor Street London EC4Y 0AH
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP
Registrars and Transfer Office	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Website	www.chesterfieldresourcesplc.com

CHESTERFIELD RESOURCES PLC

CHAIRMAN'S STATEMENT

Dear Shareholders,

2019 was a year dominated by our target development programme in Cyprus. For a mineral exploration company, the quality of its targets is its principal asset. Our objective was to develop a list of high-value targets prior to the expensive process of diamond drilling. Advancing these targets involved a great deal of laborious and painstaking work, running various different types of exploration programmes concurrently. However, it is this diligent preparation that maximises our chances of discovery and success.

In order to undertake this complicated task, 2019 also saw the company build a truly world class geological team. Dave Cliff (non-Executive Director), who was formally Head of Exploration Europe for Rio Tinto, one of the world's biggest mining companies, joined us in 2017. Joining us in January as Chief Operating Officer was Mike Parker, who had just completed a 20-year career at First Quantum Minerals, where he was key in two major copper discoveries and led large teams of exploration personnel. Also joining us as Technical Consultant was Neil O'Brien, who previously was VP of new business development at Lundin Mining. Neil is a recognised authority on the VMS (volcanogenic massive sulphide) geological occurrences that the company is exploring in Cyprus. We believe it is this experience and brain-power behind our target development that will help distinguish us as a junior explorer.

Chesterfield's exploration strategy in Cyprus is to locate Volcanogenic Massive Sulphides (VMS) buried under cover, around 50-200 metres underground. Historically, miners in Cyprus only worked deposits they could locate visibly from surface. After the Turkish invasion of 1974 most mining work halted and there was very little exploration using new methods and technology to look further underground. There was some limited exploration in the noughties, but these programmes were short-lived due to various specific financial constraints. In November 2019, Chesterfield completed a comprehensive multi-disciplined target development programme for buried deposits.

We focussed the majority of our exploration on the Troodos West suite of licences, which are permitted for drilling. The programme involved layering numerous different types of exploration techniques. During the year, these included remote sensing satellite survey, using data from the Sentinel-2 satellite, owned by the European Space Agency. The data, both from the visible and non-visible spectrum, was sent to a specialist analytical company in the US to identify faulted structures around our areas of focus in Cyprus. This was completed in April and saved many months of trying to complete the same task purely through fieldwork. However, we still also put great store by geologists "kicking stones" and getting on the ground to conduct detailed mapping as we narrowed our search areas to those of the most interest. In line with this, we also have a strong emphasis on geochemistry, and ran out several sizable soil sampling surveys on our licence areas. The interpretation of this sampling is also very important to understand properly. Often the soil signatures are adjacent, not directly above, mineralised targets due to underlying stratigraphy. The company also commissioned some costly geophysics surveys.

Another important aspect of our work is archival research. There is much historical mining and exploration data in Cyprus that has not been digitised, and has to be sifted through from sometimes dusty folders found in the bottom of drawers and boxes. There have also been several useful surveys conducted over the years by entities such as the United Nations and BRGM that have yielded useful information. Likewise, we have made use of the considerable expertise and knowledge of Cypriot geologists on the island. The results of these various exploration work tracks are then brought together and analysed in reference to each other to identify targets. The ones which have the most co-incident layers of evidence are usually the strongest.

The process of developing targets involves ranking them, and this ranking changes on an on-going basis as new evidence comes to light and the technical team debates the merit of each target relative to its peers. We had initially expected to commence a new diamond drill programme in the late summer of 2019, but as that time approached, the target list was evolving beyond our expectation. Our initial list of ten targets had grown to more than 20, and the ranking of the top ten targets could change significantly from week to week. We therefore took the decision to delay the drilling until the team felt confident it had optimised the target list and therefore our prospects of making discoveries. This proved to be the correct decision, as the list eventually grew to 30 targets in the fourth quarter, with 15 ranked on a priority list. While we will still need some help from Mother Nature, we believe this ranked-list will now provide us with the best chance of making discoveries.

The list of targets was completed by November but it was not then practicable to import a drill rig and team from overseas as the rainy season had started in Cyprus. This season, which lasts until around May, is characterised by lightning storms, during which a rig must stand down. However, the local team came up with an innovative solution to allow us to advance our programme during the down-season, which was to test the targets with a percussion drill.

Unlike a diamond drill, a percussion drill does not produce core samples, but rather rock chips. While not as capable of producing as representative a sample as an RC (reverse circulation) drill, it is cheaper and is available in country. Given the relatively low-cost of percussion drilling (approximately 15% of the cost of a comparable diamond drilling per meter), it is an excellent cost-effective method of testing for target stratigraphy and presence of sulphides up to a limited depth, in this case, of 200m, below surface. In this campaign, the samples were split and dried and assayed by a portable XRF. Drilling is quick; a hole typically takes only one day to complete. Because the percussion drill is located in Cyprus, there are no mobilisation costs.

Despite unusually heavy rain and wet ground, we were able to access two targets, drilling four holes on each. Sulphide mineralisation was encountered on both targets. This means that the company's diamond drill campaigns can now be designed more accurately with a higher level of confidence of intersecting VMS-type sulphides.

Importantly, the success of these early percussion holes indicates "proof of concept" of the team's exploration methodology, and so adds to confidence in the company's extensive target list at Troodos West. Many of the other targets are close to Hillside and Embayment and so will share similar geological characteristics. Verification of the local stratigraphy and presence of sulphides in the formations predicted, now provides significant support to the whole programme of exploration target modelling. At the Hillside target concentrated sulphide mineralisation was reported in two holes collared approximately 50 metres apart at the expected stratigraphic target horizon and with the presence of gold, zinc, and copper which is the typical revenue metal signature for Cyprus VMS deposits. These results are strongly indicative of VMS type mineralisation and prioritize the Hillside target for follow-up diamond (core) drilling.

Just as we were expecting to recommence our percussion drilling in March, the Covid-19 epidemic swept through Europe and all work had to be halted. One consequence of the crisis was the continued surge in the gold price. Gold had been ticking up through 2019 and gained further momentum as the epidemic tightened its grip. Since Chesterfield first drilled notable gold intersections in Cyprus in late 2018, the gold price had risen by 40%, which emphasized the importance of finding and developing new gold-rich copper deposits.

We decided to put the lock-down period to good effect and in April this year the company's technical team completed a desktop evaluation of its Cypriot exploration licences in terms of their potential for gold. During its appraisal, the team identified significant enrichment of gold, in association with VMS type sulphide occurrences, at five locations over a 4km strike length on a major prospective structure. On the same structure, 7km south-east of this zone, another gold occurrence in association with VMS sulphide has also been identified.

Based these gold encounters in the area, the team concluded that that the company's Troodos West licences cover an unusually gold-enriched VMS belt, capable of producing a clean gold-rich copper concentrate. As such, gold is likely to be a significant revenue metal contained within copper-zinc sulphide resources.

During the year, the company was also active in managing its land position. As we reduced our search area to focus on high value targets, we were able to release some licence packages that we no longer deemed necessary. On the other hand, we submitted applications for new licence areas adjacent promising targets. We expect to continue this active land management through 2020.

The company has also worked improving its messaging and investor interface. We launched a greatly improved company website with quite a number of pages to help educate those interested in aspects of Cypriot geology and mining history, as well as various aspects of our work programmes. We have produced video clips on many of these topics for people who prefer to watch rather than read. We have a detailed company presentation on the site which we keep updated regularly, and have been active in attending interviews for podcasts and TV.

In April, this year we conducted our first Zoom "Webinar" with a corporate presentation to a sizable group of interested shareholders locked-down due to the epidemic. We have posted a recording of this on our company website and expect to make further use of this technology to provide more real-time interaction with our current and potential shareholders. We feel our investor relations efforts are bearing fruit. On April 21st 2020, Chesterfield was the top performing stock on the London Exchange, by some considerable margin, turning over 18m shares, equivalent to about 30% of our register. We are encouraged that the stock has gained the attention of the market and are hopeful that any positive news going forward will get noticed. Shareholders are always comforted by stocks which are capable of displaying good trading volume.

As I write this letter there are signs that Covid-19 restrictions will be eased and we are looking forward to resuming our percussion drilling programme in Cyprus. While 2019 was the year of target development, we hope that 2020 will be a year of discovery.

CHAIRMAN'S STATEMENT

Financial Review

The loss before taxation of the Group for the year ended 31 December 2019 amounted to £536,121 (period ended 31 December 2018: £689,367).

The Group's cash position at 31 December 2019 was £748,596 (2018: £1,885,726).

Outlook

I would like to thank our shareholders for their support, we are lucky to have a strong and supportive base of investors and we hope that the coming months and years will continue to be value accretive for all our stakeholders.

Martin French
Executive Chairman
5 May 2020

CHESTERFIELD RESOURCES PLC

GROUP STRATEGIC REPORT

The Directors of the Company and its subsidiary undertakings (which together comprise the "Group") present their Strategic Report on the Group for the year ended 31 December 2019.

Strategic Approach

The Group's aim is to create value for shareholders through the discovery and development of economic mineral deposits. The Group's strategy is to continue to progress the development of its existing projects in Cyprus and to evaluate its existing and new mineral resource opportunities.

Organisation Overview

The Group's business is directed by the Board and is managed on a day-to-day basis by the Executive Chairman, Martin French. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

The Corporate Head Office of the Group is located in London, UK, and provides corporate support services to the overseas operations. Overseas operations are managed out of the Group's office in Cyprus.

The Board comprises of one Executive Director and two Non-Executive Directors as detailed below:

Martin French - Executive Chairman
Mr French has over 30 years of experience in capital markets, investment banking and mining. He began his career at Merrill Lynch, and was country manager for Credit Lyonnais Securities Asia (CLSA) in various locations in Asia, before setting up its business in Latin America. Mr French was also Managing Director of North River Resources plc from December 2012 until January 2015 and took its Namibia-based brownfield lead-zinc project through to bankable feasibility study and sourced a strategic funding partner. The project is now under construction.

David Cliff - Non-Executive Director
Mr Cliff has over 50 years in exploration and mine geology. Previously he had over 26 years at Rio Tinto including five as Exploration Manager Europe. He has a BSc Hons in Geology and is a Chartered Engineer and Member of the Institute of Materials, Minerals and Mining.

Peter Damouni - Non-Executive Director
Mr. Damouni has over 17 years of experience in investment banking and capital markets, with expertise in mining and oil and gas. Throughout his career, Mr. Damouni has worked on and led equity and debt financings valued over $5 billion. He has comprehensive experience in equity financing, restructuring, corporate valuations and advisory assignments.

During the year the Group had the following gender composition of employees and directors:

Gender Composition	**Male**	**Female**
Directors	3	0
Senior Management	1	0
Employees	0	0

Review of Business

The 2019 work programme built on previous efforts to improve the understanding of geological knowledge of Cyprus and enabled target assessment and ranking before advancing to testing by drilling. A remote sensing study was carried out over all areas held and a large emphasis was placed on incorporating publicly available datasets and local geological knowledge into the exploration strategy. All licenses remain in good standing and have either recently been granted or in the process of being renewed.

GROUP STRATEGIC REPORT

Financial Performance Review

The loss of the Group for the year ended 31 December 2019 before taxation amounts to £536,121 (period ended 31 December 2018: £689,367).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the year to 31 December 2019.

The three main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

KPI	2019	2018
Cash and cash equivalents (£)	**748,596**	1,885,726
Administrative expenses as a percentage of total assets	**21%**	22%
Exploration costs capitalised during the period (£)	**545,114**	1,156,429

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statement of Cash Flows on page 26).

Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure they can perform their operational commitments.

Exploration costs capitalised during the year consist of exploration expenditure on the Group's exploration licences net of foreign exchange rate movements.

Principal Risks and Uncertainties

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

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

Exploration risks

The exploration and mining business are controlled by a number of global factors, principally supply and demand which in turn is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure ensuring that funds are only applied to high priority targets.

The principal asset of the Group, comprising the mineral exploration licences, are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to legislation defined by the Cypriot Government; if this legislation is changed it could adversely affect the value of the Group's assets.

Dependence on key personnel

The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements at market rates with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond its control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company in discrete tranches or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The

Company may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

Political risk

All of the Group's operations are located in a foreign jurisdiction. As a result, the Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, terrorism, appropriation of property without fair compensation, cancellation or modification of contractual rights, foreign exchange restrictions and currency fluctuations.

COVID-19

The outbreak of the recent global COVID-19 virus has resulted in business disruption and stock market volatility. The extent of the effect of the virus, including its long-term impact, remains uncertain. The Group has implemented extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to operate.

Financial Risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

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

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

The requirements of s172 are for the Directors to:

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

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

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

- Continuing evaluation of existing license areas and assessment of targets;
- Expanding the licensed land area;
- Undertaking an induced polarisation / resistivity geophysical program and remote sensing studies;
- Identification of drill targets and preparation for a percussion drill program;
- Continued assessment of corporate overheads, expenditure levels and wider market conditions.

As a mining exploration Company operating in Cyprus, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. Wherever possible, local communities are engaged in the geological operations & support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work.

GROUP STRATEGIC REPORT

Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact. The interests of our employees are a primary consideration for the Board. An inclusive share-option programme allows them to share in the future success of the Company, personal development opportunities are supported and a health and security support network is in place to assist with any issues that may arise on field expeditions.

The Group Strategic Report was approved by the Board on 5 May 2020

Martin French
Executive Chairman

DIRECTORS' REPORT

The Directors present their annual report on the affairs of Chesterfield Resources plc together with the audited Financial Statements for the year ended 31 December 2019.

Dividends

The Directors do not recommend the payment of a dividend for the year (2018: nil).

Directors & Directors' Interests

The Directors who served during the year ended 31 December 2019 are shown below and had, at that time, the following beneficial interests in the shares of the Company:

	31 December 2019		31 December 2018	
	Ordinary Shares	Options & Warrants	Ordinary Shares	Options & Warrants
Martin French	3,000,000	3,564,000	3,000,000	2,564,000
Peter Damouni	1,533,333	2,316,666	1,533,333	2,066,666
David Cliff	450,000	1,315,000	450,000	1,215,000
David Hall (1)	1,373,334	115,000	1,373,334	115,000

(1) David Hall resigned on 5 June 2019

Further details on options can be found in Note 19 to the Financial Statements.

Substantial Shareholders

The substantial shareholders with more than a 3% shareholding at 4 May 2020 are shown below

	Holding	Percentage
Claudio Ciavarella	4,400,000	7.10%
Leo Berezan	4,201,334	6.78%
Kingfisher Distribution Company Limited	3,350,000	5.41%
Martin French	3,000,000	4.84%
Fahad Al Tamimi	2,333,333	3.77%
Glenn Olnick	2,075,000	3.35%
Wentworth Ltd	2,000,000	3.23%
1770120 Ontario Inc.	1,925,000	3.11%

Corporate Responsibility

Environmental
Chesterfield undertakes its exploration activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature. Chesterfield is a mineral explorer, not a mining company. Hence, the environmental impact associated with its activities is minimal. To ensure proper environmental stewardship on its projects, Chesterfield conducts certified baseline studies prior to all drill programmes and ensures that areas explored are properly maintained and conserved.

Health and safety
Chesterfield operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work-related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

Internal Controls
The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the period. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and

proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Corporate Governance

The statement on corporate governance can be found in the Corporate Governance Report on page 12 of these Financial Statements. The Corporate Governance Report forms part of this directors' report and is incorporated into it by cross reference.

Supplier payment policy
The Group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

Going Concern
The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in Note 2.3 to the Financial Statements.

Directors' and Officers' Indemnity Insurance
The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the period and remain in force at the date of this report.

Events after the reporting period
There were no events after the reporting date.

Future Developments
The workplan for 2020 involves the undertaking of a percussion drill program. Results from this will be used to vector a diamond drilling programme. The company will continue to evaluate its licence inventory and seek partnership opportunities.

COVID-19
Since March 2020, the Group has made preparations to mitigate the impact of COVID-19 on the business through several action plans and mitigation strategies. These will continue to be monitored and updated as required.

Brexit
In March 2017, the UK officially triggered Article 50 and notified the EU of its intention of leaving the EU following the UK's June 2016 referendum vote to leave the EU (commonly known as Brexit). The UK ratified its withdrawal from the EU effective 31 January 2020 with a transitional period scheduled to end 1 January 2021. The effect of the withdrawal remain unknown until further information is available on the nature of the UK-EU relationship after the completion of the transitional period.

Financial instruments
Details of the Group's financial instruments are disclosed in note 17 to these Financial Statements.

Provision of Information to Auditor
So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor. A resolution to reappoint PKF Littlejohn LLP as auditor will be proposed at the Annual General Meeting.

This report was approved by the Board on 5 May 2020 and signed on its behalf.

Martin French
Executive Chairman

DIRECTORS RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume the Group and Company will continue in business

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

They are also responsible to make a statement that they consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Group and Company's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Directors Responsibility pursuant to DTR4

Each of the Directors whose names and functions are listed on page 5 confirm that, to the best of their knowledge and belief:

- The 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 loss of the Group and Company; and
- the Annual Report and Financial Statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Martin French
Executive Chairman
5 May 2020

CORPORATE GOVERNANCE REPORT

Principles of corporate governance

The Group is not required to comply with the UK Code of Corporate Governance and has not voluntarily adopted it. However, the Directors recognise the importance of sound corporate governance and the Board intends, to the extent it considers appropriate in light of the Group's size, stage of development and resources, to implement certain corporate governance recommendations.

The Directors have responsibility for the overall corporate governance of the Group and recognise the need for the highest standards of behaviour and accountability. The Board has a wide range of experience directly related to the Group and its activities and its structure ensures that no one individual or group dominates the decision-making process.

Board structure

During the year the Board comprised the executive Chairman and two non-executive Directors. Their details appear on page 1. The Board is responsible to shareholders for the proper management of the Group. The Directors' responsibilities statement in respect of the Financial Statements is set out on page 11. The non-executive Directors have a particular responsibility to ensure that the strategies proposed by the executive Director are fully considered. To enable the Board to discharge its duties, all directors have full and timely access to all relevant information and there is a procedure for all Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the Group.

The Board is responsible for overall Group strategy, approval of major capital expenditure projects and consideration of significant financing matters. The following Board committees, which have written terms of reference, deal with specific aspects of the Group's affairs:

Nomination Committee

In light of the size of the Board, the Directors do not consider it necessary to establish a Nomination Committee. However, this will be kept under regular review.

Audit Committee

The Audit Committee, comprising David Cliff and Peter Damouni, reviews the Group's annual and interim Financial Statements before submission to the Board for approval. The Committee also reviews regular reports from management and the external auditor on accounting and internal control matters. Where appropriate, the Committee monitors the progress of action taken in relation to such matters. The Committee also recommends the appointment, and reviews the fees, of the external auditor. The Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditor. A formal statement of independence is received from the external auditor each year.

Remuneration Committee

The Remuneration Committee, comprising Peter Damouni and David Cliff, is responsible for reviewing the performance of the Board and for setting the scale and structure of remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant, paying due regard to the interests of shareholders as a whole and the performance of the Group.

Board Meetings

The Board meets on an informal basis regularly throughout the year. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance. The formal board meetings held during the year are detailed below, however this excludes any informal board calls and meetings held during the same period.

Date	Type	Present
5 June 2019	Board Meeting	Martin French, David Cliff, Peter Damouni
8 August 2019	Board Meeting	Martin French, David Cliff, Peter Damouni

Internal Controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective. The key elements of the control system in operation are:

- the Board meets regularly with a formal schedule of matters reserved to it for decision;
- there are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the Group's financial performance against approved budgets and forecasts;
- UK financial operations are closely monitored by members of the Board to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The Cyprus operations are closely supervised by the UK based executives through daily, weekly and monthly reports from the directors' key management in Cyprus.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. Project milestones and timelines are regularly reviewed.

The Bribery Act 2010

The Board is committed to acting ethically, fairly and with integrity in all its endeavours and compliance of the code is closely monitored.

Securities Trading

The Group has adopted a share dealing code for dealings in shares by Directors and senior employees which is appropriate for a quoted company. The Directors will take all reasonable steps to ensure compliance by the Group's applicable employees.

Relations with Shareholders

The Board is committed to providing effective communication with the Shareholders of the Group. Significant developments are disseminated through stock exchange announcements and regular updates of the Group's website. The Board views the AGM as a forum for communication between the Group and its shareholders and encourages their participation in its agenda.

On behalf of the Board

Martin French
Executive Chairman
5 May 2020

CHESTERFIELD RESOURCES PLC

DIRECTORS' REMUNERATION REPORT

The Company has an established Remuneration Committee. The Committee reviews the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Group and Directors.

The Company's auditors, PKF Littlejohn LLP are required by law to audit certain disclosures and where disclosures have been audited, they are indicated as such.

Statement of Chesterfield Resources Plc's policy on Directors' remuneration by the Chairman of the Remuneration Committee

As Chairman of the Remuneration Committee I am pleased to introduce our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for listed organisations.

The Directors' Remuneration Policy, is set out on pages 14 to 17 of this report. A key focus of the Directors' Remuneration Policy is to align the interests of the Directors to the long-term interests of the shareholders and aims to support a high-performance culture with appropriate reward for superior performance, without creating incentives that will encourage excessive risk taking or unsustainable company performance. This is underpinned through the implementation and operation of incentive plans.

Key Activities of the Remuneration Committee

The key activities of the Remuneration Committee are:

- to determine and agree with the Board the framework or broad policy for the remuneration of the Company's chairman, chief executive, the executive directors, the company secretary and such other members of the executive management as it is designated to consider;
- in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- recommend and monitor the level and structure of remuneration for senior management;
- when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company, and review the on-going appropriateness and relevance of the remuneration policy;
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used;
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- oversee any major changes in employee benefits structures throughout the Company.

Members

The Remuneration Committee comprises the following independent Non-Executive Directors:

Name	Position	Date of appointment
Peter Damouni	Chairman	3 July 2018
David Cliff	Member	3 July 2018

Remuneration Components

The Company remunerates directors in line with best market practice in the industry in which it operates. The components of Director remuneration that are considered by the Board for the remuneration of directors in future years are likely to consist of:

- Base salaries
- Pension and other benefits
- Annual bonus
- Share Incentive arrangements

Given the early stage of development of the Company, the Remuneration Committee do not consider it appropriate to have annual bonuses, share incentive arrangements or pensions and other benefits. The Remuneration Committee also do not consider it necessary to have maximum amounts of each remuneration component.

The Executive Director has entered into a service agreement with the Company and the Non-Executive Directors have entered into letters of appointment with the Company.

All such contracts impose certain restrictions as regards the use of confidential information and intellectual property and the Executive Director's service contract imposes restrictive covenants which apply following the termination of the agreement.

Other matters

The Company has established a workplace pension scheme, but it does not presently have any employees qualifying under the auto-enrolment pension rules who have not opted out of the scheme. It does not currently pay pension amounts in relation to Directors' remuneration. The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors. The Company has also issued options to Directors as part of a long-term incentive scheme.

Recruitment Policy

Base salary levels will take into account market data for the relevant role, internal relativities, their individual experience and their current base salary.

For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Payment for loss of Office

The Committee will honour the Executive Director's contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Director or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

Service Agreements and letters of appointment

The Executive Director's service agreement is not for a fixed term and may be terminated by the Company or the Executive Director by giving 3 months' notice.

Name	Date of service agreement	Notice period by Company (months)	Notice period by Director (months)
Martin French	27 July 2018	3 months	3 months

The terms of the all Directors' appointments are subject to their re-election by the Company's shareholders at any Annual General Meeting at which the all Directors stand for re-election.

DIRECTORS' REMUNERATION REPORT

The Non-Executive Directors of the Company do not have service contracts but are appointed by letters of appointment. Each Non-Executive Director's term of office runs for an initial period of three years unless terminated earlier upon written notice or upon their resignations.

The details of each Non-Executive Director's current term are set out below:

Name	Date of service agreement	Current term (years)	Notice period by Company (months)	Notice period by Director (months)
David Cliff	16 March 2017	3 years	3 months	3 months
Peter Damouni	16 March 2017	3 years	3 months	3 months

Executive Director's remuneration - Audited

The table below sets out the remuneration received by the Executive Director for the year ended 31 December 2019 and 31 December 2018:

	Short term benefits 2019 £	Consultancy fees and additional work fees 2019 £	Total fees 2019 £	Short term benefits 2018 £	Consultancy fees and additional work fees 2018 £	Total fees 2018 £
Martin French (1)	65,250	25,000	90,250	11,595	-	11,595
Total	**65,250**	**25,000**	**90,250**	**11,595**	**-**	**11,595**

(1) The Additional Work Fees paid in 2019 were to remunerate corporate work conducted in 2018

Non-Executive Directors' remuneration - Audited

The table below sets out the remuneration received by each Non-Executive Director during the years ended 31 December 2019 and 31 December 2018.

	Short term benefits 2019 £	Consultancy fees and additional work fees 2019 £	Total fees 2019 £	Short term benefits 2018 £	Consultancy fees and additional work fees 2018 £	Total fees 2018 £
David Hall (1)	10,300	-	10,300	12,000	-	12,000
David Cliff	24,000	-	24,000	33,000	-	33,000
Peter Damouni (2)	24,000	25,000	49,000	33,000	-	33,000
Chris Hall (3)	-	-	-	30,000	-	30,000
Derek Crowhurst (4) (5)	-	-	-	31,000	10,000	41,000
Total	**58,300**	**25,000**	**83,300**	**139,000**	**10,000**	**149,000**

(1) David Hall resigned on 5 June 2019
(2)_The Additional Work Fees paid in 2019 were to remunerate corporate work conducted in 2018
(3) Derek Crowhurst resigned on 4 September 2018
(4) Christopher Hall resigned on 26 July 2018
(5) The Group paid fees totalling £10,000 for services supplied by Crowhurst Consultants Limited, of which Derek Crowhurst is a Director during the year ended 31 December 2018

Relative importance of spend on pay

The table below illustrates the year-on-year change in total remuneration compared to distributions to shareholders and loss before tax for the financial periods ended 31 December 2019 and 2018:

	Distributions to shareholders £	Total directors and employee pay £	Operational cash outflow £
Year ended 31 December 2019	nil	258,718	576,179
Year ended 31 December 2018	nil	158,932	708,108

Total employee pay includes wages and salaries, social security costs and pension cost for employees in continuing operations. Further details on Employee remuneration are provided in note 6 and 7.

Operational cash outflow has been shown in the table above as cash flow monitoring and forecasting is an important consideration for the Remuneration Committee and Board of Directors when determining cash-based remuneration for directors and employees.

Historical Share Price Performance Comparison

The table below compares the share price performance (based on a notional investment of £100) of Chesterfield Resources plc against the FTSE SmallCap for the period August 2017 to December 2019 calculated on a month end spot basis. The FTSE SmallCap is been chosen to provide a wider market comparator constituting companies of an appropriate size:

	FTSE Small Cap £	Chesterfield Resources plc £
31 December 2019	104.87	56.36
31 December 2018	90.97	84.09
11 August 2017	100	100

Chesterfield Resources plc was listed in August 2017 and therefore no historical share price data exists prior to this period, there was also no data between 2 November 2017 and 3 July 2018 pending completion of a transaction.

Consideration of shareholder views

The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Approved on behalf of the Board of Directors.

Peter Damouni
Director & Remuneration Committee Chairman
5 May 2020

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESTERFIELD RESOURCES PLC

Opinion

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

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2019 and of the Group's and Company's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Emphasis of matter

We draw your attention to note 2.3 of the financial statements, which describes the Group's and Company's assessment of the COVID-19 impact on their ability to continue as a going concern. The Group and Company have explained that the events arising from the COVID-19 outbreak do not impact its use of the going concern basis of preparation nor do they cast significant doubt about the Group's and Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

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 Group's or 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.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the Group Financial Statements was £50,000, based on 2% of gross assets. We believe assets to be the main driver of the business as the Group is in the exploration stage and no revenues are currently being generated. The performance materiality was £35,000. The materiality applied to the Company Financial Statements was £23,000, based on 5% of the loss before tax. The performance materiality was £16,100. Component materiality applied to the subsidiary undertaking in Cyprus was £21,000, based on 2% of gross assets.

We agreed with the audit committee that we would report to the committee all audit differences identified during the course of our audit in excess of £2,500.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors, including the carrying value of assets, and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Whilst Chesterfield Resources plc is a company listed on the Standard segment of the London Stock Exchange, the Group's operations principally comprise an exploration project located in Cyprus. We assessed the significant components of the Group to be the exploration project in Cyprus and the corporate accounting function. We performed a full scope audit on the corporate accounting function and consolidation.

A PKF member firm performed a full scope audit of the exploration project in Cyprus, under our direction and supervision as group auditors under ISA 600. This involved the issue of detailed group reporting instructions and we performed a review of the component auditor working papers. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed at a consolidation level, gave us appropriate evidence for our opinion of the Group and Company Financial Statements.

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) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Carrying value and assessment of impairment of intangible exploration and evaluation assets (refer note 11)	
The Group has reported intangible assets of £1,675,562 in its Statement of Financial Position as at 31 December 2019 which comprise exploration and evaluation assets. The carrying value and recoverability of these intangible assets are tested annually for impairment. The estimate recoverable amount of this balance is subjective due to the inherent uncertainty involved in the assessment of early stage exploration projects.	We tested the Group's exploration licences to confirm good title and standing, including the likelihood of expiry on future expiry. Additions were substantively tested to supporting documentation to ensure they were capitalised in accordance with IFRS 6. We obtained an understanding of the status of the project, together with progress on the licences based upon the results of exploration and evaluation work during the year. We reviewed and evaluated the impairment assessment prepared by management in relation to the Cyprus project. Our procedures included an assessment of the early stage exploration and evaluation project with reference to the criteria listed within IFRS 6, to include whether: • exploration and evaluation work to date indicates that the carrying amount is unlikely to be recovered from further development or sale; and • substantive expenditure on further exploration and evaluation is not budgeted or planned.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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' responsibilities statement, the directors are responsible for the preparation of the group and company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and company financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 22 November 2018 to audit the Financial Statements for the year ended 31 December 2018. Our total uninterrupted period of engagement is 2 years, covering the year ended 31 December 2019.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our sector experience and through discussions with the Directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related Financial Statement items. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. As with any audit, there remained a higher risk of non-detection irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

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

15 Westferry Circus
Canary Wharf
London E14 4HD

5 May 2020

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

		Group	
		31 December 2019	31 December 2018
Continuing operations	Note	**£**	£
Administrative expenses	6	**(536,121)**	(689,367)
Operating Loss		**(536,121)**	(689,367)
Loss before taxation		**(536,121)**	(689,367)
Income tax	8	**-**	-
Loss for the Period attributable to owners of the parent		**(536,121)**	(689,367)
Basic and Diluted Earnings Per Share attributable to owners of the parent (expressed in pence per share)	9	**(0.866)**	(1.524)

	31 December 2019	31 December 2018
	£	£
Loss for the period	**(536,121)**	(689,367)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	**(42,755)**	6,181
Other comprehensive income for the period, net of tax	**(42,755)**	(6,181)
Total Comprehensive Income attributable to owners of the parent	**(578,876)**	(683,186)

The Notes on pages 27 to 44 form part of these Financial Statements.

CHESTERFIELD RESOURCES PLC

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2019 **Company number: 10545738**

		Group		Company	
		31 December 2019	31 December 2018	**31 December 2019**	31 December 2018
	Note	**£**	£	**£**	£
Non-Current Assets					
Property, plant and equipment	10	**20,778**	13,891	**6,981**	-
Intangible assets	11	**1,675,562**	1,156,429	**-**	-
Investments in subsidiaries	12	**-**	-	**1,648,907**	1,100,837
		1,696,340	1,170,320	**1,655,888**	1,100,837
Current Assets					
Trade and other receivables	13	**89,498**	77,067	**112,500**	45,871
Cash and cash equivalents	14	**748,596**	1,885,726	**736,834**	1,862,997
		838,094	1,962,793	**849,334**	1,908,868
Total Assets		**2,534,434**	3,133,113	**2,505,222**	3,009,705
Non-Current Liabilities					
Deferred tax liabilities	15	**(127,450)**	(127,450)	**-**	-
		(127,450)	(127,450)	**-**	-
Current Liabilities					
Trade and other payables	16	**(68,957)**	(89,138)	**(53,788)**	(76,078)
		(68,957)	(89,138)	**(53,788)**	(76,078)
Total Liabilities		**(196,407)**	(216,588)	**(53,788)**	(76,078)
Net Assets		**2,338,027**	2,916,525	**2,451,434**	2,933,627
Equity attributable to owners of the Parent					
Share capital	18	**159,933**	159,933	**159,933**	159,933
Share premium	18	**3,534,597**	3,534,597	**3,534,597**	3,534,597
Other reserves		**(20,003)**	22,374	**16,571**	16,193
Retained losses		**(1,336,500)**	(800,379)	**(1,259,667)**	(777,096)
Total Equity		**2,338,027**	2,916,525	**2,451,434**	2,933,627

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company Statement of Comprehensive Income. The loss for the Parent Company for the year was £482,571 (2018: £666,084).

The Financial Statements were approved and authorised for issue by the Board on 5 May 2020 and were signed on its behalf by:

Martin French
Executive Chairman

The Notes on pages 27 to 44 form part of these Financial Statements.

CHESTERFIELD RESOURCES PLC

GROUP STATEMENT OF CHANGES IN EQUITY
As at 31 December 2019 **Company number: 10545738**

		Attributable to owners of the Parent				
	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total £
Balance as at 1 January 2018		**126,600**	**1,157,873**	**4,360**	**(111,012)**	**1,177,821**
Loss for the year		-	-	-	(689,367)	(689,367)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	6,181	-	6,181
Total comprehensive income for the year		**-**	**-**	**6,181**	**(689,367)**	**(683,186)**
Proceeds from share issues	18	26,666	1,973,334	-	-	2,000,000
Issue costs	18	-	(89,943)	-	-	(89,943)
Share based payment	19	-	-	11,833	-	11,833
Shares issued on business combination	18	6,667	493,333	-	-	500,000
Total transactions with owners, recognised directly in equity		**33,333**	**2,376,724**	**11,833**	**-**	**2,421,890**
Balance as at 31 December 2018		**159,933**	**3,534,597**	**22,374**	**(800,379)**	**2,916,525**
Balance as at 1 January 2019		**159,933**	**3,534,597**	**22,374**	**(800,379)**	**2,916,525**
Loss for the year		-	-	-	(536,121)	(536,121)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	(42,755)	-	(42,755)
Total comprehensive income for the year		**-**	**-**	(42,755)	(536,121)	**(578,876)**
Options granted during year	19	-	-	378	-	378
Total transactions with owners, recognised directly in equity		**-**	**-**	**378**	**-**	**378**
Balance as at 31 December 2019		**159,933**	**3,534,597**	**(20,003)**	**(1,336,500)**	**2,338,027**

Share capital represents the nominal value of ordinary and deferred shares issued.

Share premium represents the amounts subscribed for share capital in excess of the nominal value of the shares issued, net of cost of issue.

Other reserves represent the share option reserve and the foreign currency translation reserve. The share option reserve represents the fair value of the share options outstanding and the foreign currency translation reserve represents the accumulated foreign currency translation differences upon converting the Group's results into the presentational currency.

Retained losses comprise the Group's accumulative losses recognised in the statement of comprehensive income.

The Notes on pages 27 to 44 form part of these Financial Statements.

CHESTERFIELD RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

		Attributable to equity shareholders				
	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 January 2018		**126,600**	**1,157,873**	**4,360**	**(111,012)**	**1,177,821**
Loss for the period		-	-	-	(666,084)	(666,084)
Total comprehensive income for the year		**-**	**-**	**-**	**(666,084)**	**(666,084)**
Proceeds from share issues	17	26,666	1,973,334	-	-	2,000,000
Issue costs	17	-	(89,943)	-	-	(89,943)
Share based payments	19	-	-	11,833	-	11,833
Shares issued on business combination	18	6,667	493,333	-	-	500,000
Total transactions with owners, recognised directly in equity		**33,333**	**2,376,724**	**11,833**	**-**	**2,421,890**
Balance as at 31 December 2018		**159,933**	**3,534,597**	**16,193**	**(777,096)**	**2,933,627**
Balance as at 1 January 2019		**159,933**	**3,534,597**	**16,193**	**(777,096)**	**2,933,627**
Loss for the year		**-**	**-**	**-**	(482,571)	(482,571)
Total comprehensive income for the year		**-**	**-**	**-**	**(482,571)**	**(482,571)**
Options granted during year	19 17	**-**	**-**	378	**-**	378
Total transactions with owners, recognised directly in equity		**-**	**-**	**378**	**-**	**378**
Balance as at 31 December 2019		**159,933**	**3,534,597**	**16,571**	**(1,259,667)**	**2,451,434**

The Notes on pages 27 to 44 form part of these Financial Statements.

CHESTERFIELD RESOURCES PLC

STATEMENTS OF CASH FLOWS
For the year ended 31 December 2019

		Group		Company	
		Year ended 31 December 2019	Year ended 31 December 2018	**Year ended 31 December 2019**	Year ended 31 December 2018
	Note	**£**	£	**£**	£
Cash flows from operating activities					
Loss before income tax		**(536,121)**	(689,367)	**(482,571)**	(666,084)
Adjustments for:					
Depreciation	10	**8,201**	2,864	**4,650**	-
Share options expense	19	**378**	11,833	**378**	11,833
Intercompany charges		**-**	-	**(91,782)**	(5,374)
Foreign exchange		**(17,299)**	6,158	**48,521**	(7,120)
(Increase)/Decrease in trade and receivables		**(13,586)**	17,350	**25,150**	24,116
(Decrease)/Increase in trade and payables		**(17,752)**	(56,946)	**(22,289)**	4,859
Net cash used in operating activities		**(576,179)**	(708,108)	**(517,943)**	(637,770)
Cash flows from investing activities					
Cash acquired upon acquisition		**-**	1,744	**-**	-
Interest received		**-**	-	**(17,156)**	(11,641)
Purchase of property plant and equipment	10	**(15,837)**	(16,755)	**(11,631)**	-
Loans granted to subsidiary undertakings		**-**	-	**(579,435)**	(582,071)
Exploration and evaluation activities	11	**(545,114)**	(485,636)	**-**	-
Net cash used in investing activities		**(560,951)**	(500,647)	**(608,222)**	(593,712)
Cash flows from financing activities					
Proceeds from issue of share capital	17	**-**	2,000,000	**-**	2,000,000
Transaction costs of share issue	17	**-**	(89,943)	**-**	(89,943)
Net cash generated from financing activities		**-**	1,910,057	**-**	1,910,057
Net increase/(decrease) in cash and cash equivalents		**(1,137,130)**	701,302	**(1,126,165)**	678,575
Cash and cash equivalents at beginning of period		**1,885,726**	1,184,424	**1,862,999**	1,184,424
Exchange gain on cash and cash equivalents		**-**	-	**-**	-
Cash and cash equivalents at end of period	14	**748,596**	1,885,726	**736,834**	1,862,999

The Notes on pages 27 to 44 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. General information

The principal activity of Chesterfield Resources plc (the 'Company') and its subsidiaries (together the 'Group') is the exploration and development of precious and base metals. The Company is a public limited Company whose shares were admitted to the Standard listing segment of the Main market of the London Stock Exchange on 29 August 2017. The Company is incorporated and domiciled in England.

The address of its registered office is 7-9 Swallow Street, London, W1B 4DE.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Information are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of preparation of Financial Statements

The Group and Company Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS and IFRS IC interpretations. The Group and Company Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on an asset acquisition.

The Financial Statements are presented in Pound Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group and Company Financial Statements are disclosed in Note 4.

a) Changes in accounting policies and disclosures

i) New and amended standards adopted by the Group and Company

As of 1 January 2019, the Company adopted IFRS 16 Leases, Amendments to IFRS 2 – classification and measurement of share based payments transactions, Annual improvements to IFRS Standards 2015-2017 cycle and IFRIC 23 Uncertainty over income tax treatments.. The transition to these standards had no material impact on the Group or Company. There were no long-term operating leases in the Group as at the transition date for IFRS 16; as such no adjustments were made under this standard.

Of the other IFRSs and IFRICs, none are expected to have a material effect on future Company Financial Information.

ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3 (Amendments)	Definition of a Business	*1 January 2020
IAS 1 and IAS 8 (Amendments)	Definition of material	1 January 2020
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current.	*1 January 2022
Amendments	Amendments to reference to the conceptual framework in IFRS	1 January 2020

None are expected to have a material effect on the Group or Company Financial Statements.

2.2. Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and its subsidiaries made up to 31 December 2019. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment within the Company Financial Statements. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.3. Going concern

The Group’s business activities together with the factors likely to affect its future development, performance and position are set out in the Chairman’s Report on pages 2-4. In addition, Note 3 to the Group Financial Statements includes the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

The Group and Company Financial Statements have been prepared on a going concern basis. Although the Group’s assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Group has sufficient funds to undertake its operating activities over the next 12 months from the date these Financial Statements are approved including any additional payments required in relation to its current exploration projects. The Group has financial resources which the Directors consider will be sufficient to fund the Group’s committed expenditure and to maintain good title to the exploration licences, provided cost reduction and deferral measures are implemented over the going concern period. However, in order to complete other exploration work over the life of existing projects and as additional projects are identified, additional funding will be required. The amount of funding cannot be forecast with any certainty at the point of approval of these Financial Statements and the Group will be required to raise additional funds either via an issue of equity or through the issuance of debt. The Directors are reasonably confident that funds will be forthcoming if and when they are required. Should additional funding not be forthcoming the Directors have agreed, if circumstances require, to defer payment of their fees until such time as adequate funding is received and if necessary, scale back exploration activity.

The Directors believe the Group is in a strong position to endure the unforeseen consequences of COVID-19. Notwithstanding the outbreak will lead to short term market volatility and uncertain long-term impacts which may affect the Groups ability to raise further funding in the future.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Group and Company Financial Statements.

2.4. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.5. Foreign currencies

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The functional currency of the UK parent entity is Pound Sterling. The functional currency of the Cyprian subsidiary is Euros. The Financial Statements are presented in Pounds Sterling which is the Group’s presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(c) Group companies

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

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Statement of Comprehensive Income as part of the gain or loss on sale.

2.6. Intangible assets

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost

Exploration and evaluation assets are not subject to amortisation but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units (“CGU’s”), which are based on specific projects or geographical areas. The CGU’s are then assessed for impairment using a variety of methods including those specified in IFRS 6.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Statement of Comprehensive Income.

Exploration and evaluation assets recorded at fair-value on acquisition

Exploration assets which are acquired are recognised at fair value. When an acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

2.7. Investment in subsidiaries

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

2.8. Property, plant and equipment

Property, Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Office Equipment – 10% straight line
Vehicles – 20% straight line

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Statement of Comprehensive Income.

2.9. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and Company. The Group and Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.11. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. IFRS 9.4.2.1(a) Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

2.12. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

2.13. Share capital, share premium and deferred shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available.

Deferred shares are classified as equity. Deferred shares have no rights to receive dividends, or to attend or vote at general meetings of the Company and are only entitled to a return of capital after payment to holders of new ordinary shares of £100,000 per each share held.

2.14. Share based payments

The Group operates a number of equity-settled, share-based schemes, under which the Group receives services from employees or third-party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Statement of Comprehensive Income or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Statement of Comprehensive Income and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.15. Taxation

No current tax is yet payable in view of the losses to date.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the Group Financial Statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in except where the Group 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

3. Financial risk management

3.1. Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. None of these risks are hedged.

Risk management is carried out by the London based management team under policies approved by the Board of Directors.

3.2. Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, to enable the Group to continue its exploration and evaluation activities, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

At 31 December 2019 the Group had borrowings of £nil (2018: £nil) and defines capital based on the total equity of the Group. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

Given the Group’s level of debt versus its cash at bank and cash equivalents, the gearing ratio is immaterial.

4. Critical accounting estimates and judgements

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the period. Actual results may vary from the estimates used to produce these Financial Statements.

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

Items subject to such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, include but are not limited to:

Impairment of intangible assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value at 31 December 2019 of £1,675,562 (2018: £1,156,429). Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.6. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Statement of Comprehensive Income.

Share based payment transactions

The Group has made awards of options and warrants over its unissued share capital to certain Directors as part of their remuneration package. The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 19.

5. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the period the Group had interests in two geographical segments; the United Kingdom, and Cyprus. Activities in the UK are mainly administrative in nature whilst the activities in Cyprus relate to exploration and evaluation work.

2019	**Cyprus £**	**UK £**	**Total £**
Revenue	-	-	-
Administrative expenses	(77,521)	(458,600)	**(536,121)**
Loss before tax per reportable segment	(77,521)	(458,600)	**(536,121)**
Additions to PP&E	4,206	11,631	**15,837**
Additions to intangible asset	545,114	-	**545,114**
Reportable segment assets	1,790,619	743,815	**2,534,434**
Reportable segment liabilities	(142,619)	(53,789)	**(196,408)**

2018	**Cyprus £**	**UK £**	**Total £**
Revenue	-	-	-
Administrative expenses	(23,322)	(666,045)	**(689,367)**
Loss before tax per reportable segment	(23,322)	(666,045)	**(689,367)**
Additions to PP&E	13,891	-	**13,891**
Additions to intangible asset	1,156,429	-	**1,156,429**
Reportable segment assets	1,221,891	1,903,497	**3,125,388**
Reportable segment liabilities	(132,785)	(76,078)	**(208,863)**

6. Expenses by nature

	Group	
	31 December 2019	31 December 2018
	£	£
Directors' fees	143,160	142,946
Employee salaries & related expenses	31,168	-
Stock exchange related costs (including public relations)	53,010	46,984
Office related expenses including printing, postage and telephone	60,114	-
Accountancy fees	4,993	-
Auditor remuneration	31,809	31,175
Travel & subsistence	66,825	48,664
Professional & consultancy fees	78,477	374,936
Insurance	5,960	3,809
Depreciation	8,201	2,864
Share Option expense	378	11,833
Other expenses	52,026	26,156
Total administrative expenses	**536,121**	**689,367**

Directors Fees of £30,390 (2018: £7,304) and Employee salaries of £54,000 (2018: nil) have been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible additions in the period.

Services provided by the Company's auditor and its associates

During the period, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	Group	
	31 December 2019	31 December 2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company and Group Financial Statements	**31,809**	31,175

7. Directors' remuneration

	31 December 2019		
	Short-term benefits	Additional work fees	Total
	£	£	£
Executive Director			
Martin French	65,250	25,000	90,250
Non-executive Directors			
David Cliff	24,000	-	24,000
David Hall (1)	10,300	-	10,300
Peter Damouni	24,000	25,000	49,000
	123,550	**50,000**	**173,550**

(1) David Hall resigned 5 June 2019

Share options with a fair value of £220 were awarded to Directors during the year (2018: £8,682).

Of the above Group Directors Remuneration, £30,390 (2018: £7,304) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the period.

	31 December 2018	
	Short-term benefits	**Total**
	£	**£**
Executive Director		
Martin French (1)	11,250	11,250
Non-executive Directors		
David Cliff	33,000	33,000
David Hall (2)	12,000	12,000
Peter Damouni	33,000	33,000
Chris Hall (3)	30,000	30,000
Derek Crowhurst (4)	31,000	31,000
	150,250	**150,250**

(1) Martin French was appointed Executive Chairman on 26 July 2018
(2) David Hall resigned 5 June 2019
(3) Christopher Hall resigned on 26 July 2018
(4) Derek Crowhurst resigned on 4 September 2018

8. Income tax

No charge to taxation arises due to the losses incurred.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	Group	
	31 December 2019	31 December 2018
	£	£
Loss before tax	**(536,121)**	(689,367)
Tax at the applicable rate of 18.06% (2018: 18.78%)	**(96,823)**	(129,464)
Effects of:		
Expenditure not deductible for tax purposes	**643**	2,794
Depreciation in excess of/(less than) capital allowances	**840**	2,820
Losses carried forward on which no deferred tax asset is recognised	**95,340**	123,850
Tax	**-**	-

The weighted average applicable tax rate of 18.06% (2018: 18.78%) used is a combination of the 19% standard rate of corporation tax in the UK and 12.5% Cypriot corporation tax.

The Group has a potential deferred income tax asset of approximately £219,000 (2018: £132,000) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £1,030,000 (2018: £556,000) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

9. Earnings per share

The calculation of the total basic earnings per share of (0.866) pence (2018: (1.524) pence is based on the loss attributable to equity holders of the Company of £536,121 (2018: £689,367 and on the weighted average number of ordinary shares of 61,933,334 (2018: 45,221,005) in issue during the period.

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 19

10. Property, plant and equipment

Group

	Vehicles	Office equipment	Software	Total
	£	£	£	£
Cost				
As at 1 January 2018	**-**	**-**	**-**	**-**
Additions	10,785	5,970	-	16,755
As at 31 December 2018	**10,785**	**5,970**	**-**	**16,755**
As at 1 January 2019	**10,785**	**5,970**	**-**	**16,755**
Additions	-	4,206	11,631	15,837
Foreign exchange	(577)	(319)	-	(896)
As at 31 December 2019	**10,208**	**9,857**	**11,631**	**31,696**
Depreciation				
As at 1 January 2018	**-**	**-**	**-**	**-**
Charge for the year	2,157	707	-	2,864
As at 31 December 2018	**2,157**	**707**		**2,864**
As at 1 January 2019	**2,157**	**707**	**-**	**2,864**
Charge for the year	2,041	1,510	4,650	8,201
Foreign exchange	(115)	(32)	-	(147)
As at 31 December 2019	**4,083**	**2,185**	**4,650**	**10,918**
Net book value as at 31 December 2018	**8,628**	**5,263**	**-**	**13,891**
Net book value as at 31 December 2019	**6,125**	**7,672**	**6,981**	**20,778**

Company

	Software £	Total £
Cost		
As at 1 January 2018	-	-
Additions	-	-
As at 31 December 2018	-	-
As at 1 January 2019	-	-
Additions	11,631	11,631
As at 31 December 2019	**11,631**	**11,631**
Depreciation		
As at 1 January 2018	-	-
Charge for the period	-	-
As at 31 December 2018	-	-
As at 1 January 2019	-	-
Charge for the period	4,650	4,650
As at 31 December 2019	**4,650**	**4,650**
Net book value as at 31 December 2018	-	-
Net book value as at 31 December 2019	**6,981**	**6,981**

11. Intangible Assets

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated except for those acquired at fair value.

	Group	
Exploration & Evaluation Assets - Cost and Net Book Value	**2019 £**	2018 £
Opening balance	**1,156,429**	-
Additions	**545,114**	485,636
Acquired at fair value	**-**	670,793
Foreign exchange	**(25,981)**	-
As at end of period	**1,675,562**	1,156,429

Exploration projects in Cyprus are at an early stage of development and there are no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was necessary for the period ended 31 December 2019.

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12. Investments in Subsidiary Undertakings

	Company	
	2019	2018
	£	£
Shares in Group Undertakings		
At beginning of period	500,000	**-**
Acquisition during period (see note **Error! Reference source not found.**)	-	500,000
At end of period	**500,000**	**500,000**
Loans to Group undertakings		
At beginning of period	600,837	-
Loans granted	579,435	600,837
Foreign Exchange	(48,521)	-
Interest Received	17,156	-
At end of period	**1,148,907**	**600,837**
Total	**1,648,907**	**1,100,837**

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

Subsidiaries

Name of subsidiary	**Registered office address**	**Country of incorporation and place of business**	**Proportion of ordinary shares held by parent (%)**	**Proportion of ordinary shares held by the Group (%)**	**Nature of business**
CRC Chesterfield Resources (Cyprus) Limited(1)	Illoupoleos 1, Germasogela, 4046 Limassol, Cyprus	Cyprus	100%	100%	Exploration

(1) Previously known as HKP Exploration Limited.

13. Trade and other receivables

	Group		Company	
	31 December 2019	31 December 2018	**31 December 2019**	31 December 2018
Current	**£**	£	**£**	£
Prepayments	**10,396**	21,285	**8,392**	20,567
Other receivables	**47,153**	21,878	**-**	-
Amounts due from group undertakings	**-**	-	**97,156**	5,374
VAT receivable	**31,949**	33,904	**6,952**	19,930
Total	**89,498**	77,067	**112,500**	45,871

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above.

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14. Cash and cash equivalents

	Group		Company	
	31 December 2019	31 December 2018	**31 December 2019**	31 December 2018
	£	£	**£**	£
Cash at bank and in hand	**748,596**	1,885,726	**736,834**	1,862,997

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

15. Deferred Tax

The movement in the deferred tax liabilities account is as follows:

	Group	
	2019	**2018**
	£	**£**
Deferred tax liabilities		
Acquisition of subsidiary	(127,450)	(127,450)

16. Trade and other payables

	Group		Company	
	31 December 2019	31 December 2018	**31 December 2019**	31 December 2018
	£	£	**£**	£
Trade payables	**31,270**	52,064	**29,028**	44,083
Accruals	**37,677**	37,064	**24,750**	31,985
Other payables	**10**	10	**10**	10
	68,957	89,138	**53,788**	76,078

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.

17. Financial Instruments by Category

Group	**31 December 2019**		**31 December 2018**	
	Loans & receivables	**Total**	**Loans & receivables**	**Total**
Assets per Statement of Financial Performance	**£**	**£**	**£**	**£**
Trade and other receivables (excluding prepayments)	79,102	**58,534**	55,782	55,782
Cash and cash equivalents	748,596	**754,007**	1,885,726	1,885,726
	827,698	**812,541**	1,941,508	1,941,508

	31 December 2019		31 December 2018	
	At amortised cost	Total	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	31,280	**31,280**	52,074	**52,074**
	31,280	**31,280**	52,074	**52,074**

Company	31 December 2019		31 December 2018	
	Loans & receivables	Total	Loans & receivables	Total
Assets per Statement of Financial Performance	£	£	£	£
Trade and other receivables (excluding prepayments)	104,108	**104,108**	25,304	**25,304**
Cash and cash equivalents	736,834	**736,834**	1,862,997	**1,862,997**
	840,942	**840,942**	1,888,301	**1,888,301**

	At amortised cost	Total	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	29,038	**29,040**	44,093	**44,093**
	29,038	**29,040**	44,093	**44,093**

18. Share capital

Group and Company

	Number of shares authorised, issued and fully paid	Share Capital £	Share premium £	Total £
At 1 January 2018	**28,600,000**	**126,600**	**1,157,873**	**1,284,473**
Issue of new shares – 3 July 2018	26,666,667	26,666	1,883,391	1,910,057
Issue of new shares - acquisition of Chesterfield Resources (Cyprus) Limited – 3 July 2018	6,666,667	6,667	493,333	500,000
As at 31 December 2018	**61,933,334**	**159,933**	**3,534,597**	**3,694,530**
As at 31 December 2019	**61,933,334**	**159,933**	**3,534,597**	**3,694,530**

Of the total number of shares, there are 59,933,334 ordinary shares and 2,000,000 deferred shares. Share capital value is £159,933 of which £61,933 is ordinary shares and the balance of £98,000 is deferred shares.

Each ordinary share has a par value of 0.1p and carries the right to one vote, to receive dividends and to participate on a return of capital.

Each deferred share has a par value of 4.9p and has no voting rights, no rights to receive dividends and, on a winding up or return of capital, the holders of deferred shares shall receive the nominal capital paid up on deferred shares only after the payment of £1.000,000 per share to the holders of ordinary shares.

19. Share based payments

Share options
Share options and warrants outstanding and exercisable at the end of the period have the following expiry dates and exercise prices:

			Options & Warrants	
Grant Date	Expiry Date	Exercise price in £ per share	**31 December 2019**	**31 December 2018**
22 August 2017	2 July 2020	0.05	494,300	494,300
16 March 2017	2 July 2023	0.05	5,200,000	5,200,000
22 August 2017	2 July 2021	0.10	13,000,000	13,000,000
28 June 2018	2 July 2020	0.15	13,333,322	13,333,322
28 June 2018	2 July 2023	0.75	2,970,000	2,970,000
26 July 2018	2 July 2023	0.11	1,400,000	1,400,000
17 December 2019	1 January 2025	0.05	2,300,000	-
			38,697,622	36,397,622

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2019 Options	2018 Options	2018 Options	2017 Options
Granted on:	17/12/2019	28/6/2018	26/7/2018	22/8/2017
Life (years)	5 years	4.5 years	4 years	2 years
Exercise price (pence per share)	5p	7.5p	11.25p	5p
Risk free rate	0.4%	0.5%	0.5%	1%
Expected volatility	12.96%	14.33%	14.33%	30%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	-
Total fair value (£000)	0.378	11	0.3	4

The expected volatility of the 2019 and 2018 options has been calculated based on volatility for the six months of trading after admission. The expected volatility of the 2017 options is based on historical volatility of similar companies. The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life. A reconciliation of options and warrants granted over the period to 31 December 2019 is shown below:

	2019		2018	
	Number	**Weighted average exercise price (£)**	Number	Weighted average exercise price (£)
Outstanding at beginning of period	**36,397,622**	**0.11**	18,694,300	0.08
Granted	2,300,000	**0.05**	17,703,322	0.13
Outstanding as at period end	**38,697,622**	**0.10**	36,397,622	0.11
Exercisable at period end	**38,697,622**	**0.10**	36,397,622	0.11

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	2019				2018			
Range of exercise prices (£)	**Weighted average exercise price (£)**	**Number of shares**	**Weighted average remaining life expected (years)**	**Weighted average remaining life contracted (years)**	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)
0 – 0.05	**0.05**	**7,994,300**	**3.75**	**8.25**	**0.05**	**5,694,300**	**4.24**	**4.24**
0.05 – 0.15	**0.10**	**30,703,322**	**1.35**	**1.64**	**0.10**	**30,703,322**	**2.65**	**2.65**

During the period there was a charge of £378 (2018: £11,833) in respect of share options.

20. Related party transactions

Loans to Group undertakings

Amounts receivable as a result of loans granted to subsidiary undertakings are as follows:

	Company	
	31 December 2019	**31 December 2018**
	£	£
CRC Chesterfield Resources (Cyprus Limited)	1,148,907	600,837
At 31 December	**1,148,907**	**600,837**

These amounts are unsecured, incur interest, and repayable in Euros when sufficient cash resources are available in the subsidiaries.

All intra Group transactions are eliminated on consolidation.

Other related party transactions

There were no members of key personnel management other than Directors, whose remuneration is disclosed in note 7.

21. Commitments

License commitments
Chesterfield now owns 15 mineral exploration licenses in Cyprus via the acquisition of Chesterfield Resources (Cyprus) Limited. These licences include commitments to pay annual licence fees and minimum spend requirements.

As at 31 December 2019 these are as follows:

Group	Group		
	License fees £	**Minimum spend requirement £**	**Total £**
Not later than one year	36,687	470,234	506,921
Later than one year and no later than five years	146,750	1,880,937	1,880,937
Total	183,437	2,351,171	2,534,608

22. Events after the balance sheet date

The outbreak of the coronavirus pandemic in the months after the reporting date is considered to be a non-adjusting event. As outlined in note 2.3, the Group is continuing to report on a going concern basis, and while on site activity has been suspended, staff are working on desktop and planning stage exploration activity across the Group's portfolio. The Group's response to the outbreak is described in the Group Strategic Report. The unknown length of the outbreak is a source of uncertainty and the Board will continue to monitor events and to provide updates as the situation develops.

23. Ultimate controlling party

The Directors believe there is no ultimate controlling party.