REABOLD RESOURCES PLC

Annual Report and Financial Statements

For the year ended 31 December 2017

Registered number 3542727

Contents

Directors	Jeremy Edelman (Chairman) Sachin Oza Stephen Williams Anthony Samaha
Secretary	Anthony Samaha
Registered Office	20 Primrose Street London EC2A 2EW
Registered number	3542727
Solicitors	Hill Dickinson LLP 20 Primrose Street London EC2A 2EW
Auditor	Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD
Nominated advisor	Beaumont Cornish Limited 2nd Floor, Bowman House 29 Wilson Street London EC2M 2SJ
Brokers	Whitman Howard Limited 1st Floor, Connaught House 1-3 Mount Street, London W1K 3NB Turner Pope Investments Becket House, 36 Old Jewry, London, EC2R 8DD
Registrar	Neville Registrars Limited 18 Laurel Lane Halesowen West Midlands B63 3DA
Bankers	Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP

The year ended 31 December 2017 has been a transformational year for Reabold Resources Plc ("Reabold" or "the Company"). In October 2017, the Company appointed Sachin Oza and Stephen Williams to the Board as Co-Chief Executive Officers to lead the Company in focusing on pre-cash flow upstream oil and gas projects. Sachin and Stephen have worked in the energy sector for 14 and 15 years respectively and have both worked as investment analysts with M&G investments. Sachin and Stephen led fund raisings by the Company in September and October 2017 totalling £5.7 million, primarily from institutional investors, to support the Company's focused investing policy.

The investing policy of the Company remains to acquire direct and indirect interests in exploration and producing projects and assets in the natural resources sector, and consideration is currently given to investment opportunities globally. However, under that policy, the Board is to concentrate on investments in upstream oil and gas projects. Those projects have been in the form of minority non-operating investments and interests in on-shore or near-shore assets with low-cost drilling opportunities that can provide medium term production and hence cashflow.

On 1 November 2017, the Company was pleased to announce its first investment under its new executive team and focused investment direction, entering share subscription agreements to invest a total of £1.5 million in Corallian Energy Limited ("Corallian"), a private UK oil and gas appraisal and exploration company. Corallian has a portfolio of UK oil & gas licences, including the Colter appraisal project, that Corallian management states has a high chance of success given the appraisal nature of the project together with industry comparative low drilling costs. An initial £0.5m subscription in Corallian was completed on signing of the subscription agreement, with a further £1 million subscription to be completed at the time of the authorisation for expenditure by the joint venture partnership of P1918 in respect of the Colter well, which was completed in May 2018. Subsquently in February 2018, the Company announced that it was supporting a further capital raising by Corallian and would invest an additional £1.0 million, of which £0.5m was completed in February 2018 and the balance of £0.5m was completed in April 2018. Completion of the above subscriptions has resulted in Reabold investing a total of £2.5m for a 32.9% interest in Corallian.

On 4 December 2017, the Company was pleased to announce its second investment, entering into an agreement with Danube Petroleum Limited ("Danube", a wholly owned subsidiary of ASX listed ADX Energy Ltd, (ASX:ADX) to invest a total of £1.5 million for a 29% interest in Danube. Danube is a newly-formed UK private oil and gas company, which holds a 50% interest in the high impact Parta licence ("Parta"), onshore Romania, and a 100% interest in a low-risk appraisal campaign within Parta, comprising of two wells planned in the second half of 2018 to test 33 Billion Cubic Feet ("BCF") prospective and contingent resources. The first tranche of the Company's investment in Danube of £0.375 million was completed in March 2018, with the second tranche of £1.125 million to be completed upon submission of an Authorisation for Expenditure for the first appraisal well, which is anticipated in Q3 2018. Reabold has an option to invest a further £0.375 million in Danube, which can be actioned at the discretion of the Company within 6 months after completion of the transaction.

On 14 June 2018, the Company was pleased to announce the significant acquisition of 100% of the issued share capital of Gaelic Resources Ltd ("Gaelic") for the issue of 420 million new ordinary shares in Reabold ("Consideration Shares"), representing £3.04 million at the closing price of 0.725p per share on AIM on 12 June 2018 (the "Gaelic Acquisition"). The Gaelic Acquisition provides Reabold with options to participate in multiple near-term, high-impact oil and gas leases in California, United States (the "Leases").

Placings

In April 2017, the Company announced the arrangement of subscriptions totalling £0.367 million for 73,500,000 new ordinary shares at a price of 0.5p per share to fund the Company's investment of AUD$0.5 million (approx. £0.3 million) in lithium explorer Tonsley Mining Pty Ltd ("Tonsley") and for working capital purposes. In July 2017 the Board announced that it did not believe that its investment in Tonsley and its San Jose Lithium-Tin Project in Spain represented a long term asset for the Comapny and that it had delivered a Notice of Exercise of Put Option, which resulted in a transfer of AUD$0.5 million back to the Company.

Following the divestment of Tonsley and the Board's decision to focus on upstream oil and gas projects, in September 2017 the Company undertook a placing of 792,000,000 new ordinary shares at a price of 0.5 pence per share, raising £3.96 million (before expenses) to support the Company's investment policy. Whitman Howard and Turner Pope were appointed as the Company's joint broker, and they were instrumental in the equity fund raise from a mix of institutional and retail investors.

In view of the strong demand from investors to participate in the September placing, which significantly exceeded the Directors' existing authorities to allot shares on a non-pre-emptive basis, the Company obtained approval from shareholders at a general meeting ("GM") of the Company in October 2017 to enable a further placing on a non-pre-emptive basis. Subsequent to shareholder approval at the GM, the Company completed a further placing of 352,000,000 new ordinary shares at a price of 0.5 pence per share raising £1.76 million (before expenses) in October 2017.

Subsequent to year end, and in further support of the Company's investing strategy and executive team, the Company was delighted to complete in March 2018 a significant fund raising of 1,291,750,000 new ordinary shares at a price of 0.6 pence per share, raising £7.75 million (before expenses) to support the Company's investment policy.

Corallian Energy Investment

On 1 November 2017, the Company signed two share subscription agreements to acquire a total of 1,111,111 new shares at £1.35 per share in Corallian, for a total investment of £1.5 million (the "Corallian Investment"). Corallian has a portfolio of UK oil & gas licences, including the Colter appraisal project ("Colter"), that Corallian management states has a high chance of success given the appraisal nature of the project together with industry comparative low drilling costs.

The total subscription for £1.5 million would have given Reabold a 35.4% interest in Corallian at that time, with the right to appoint a director to the board of directors of Corallian. An initial £0.5 million subscription in Corallian was completed in October 2017, followed by the balance of £1.0 million in June 2018.

Corallian, at the time, held five licence interests in the UK, one of which was a 60% in UK licence P1918 which includes the Colter prospect. P1918 was held by a joint venture between Corallian (60%), the operator and Corfe Energy Limited (40%).

The Corallian Investment was the first to be completed in line with Reabold's strategy to identify strategic oil & gas opportunities with the potential to create significant shareholder value. The investment was funded from existing Reabold cash reserves following the successful fund raises in September and October 2017.

Highlights - Corallian's Colter Project:

- Colter is offshore, adjacent to the Wytch Farm oil field, which has produced in excess of 450 million barrels of oil;
- A 1986 discovery well on Colter recovered 41.9 API oil on test from a 10.5m oil column;
- Since the 1980's seismic technology has advanced significantly such that Corallian has used modern techniques to merge and reprocess 3D seismic datasets which have enabled the identification of over 100m of mapped vertical relief up-dip of the discovery well;
- An appraisal well is planned to be drilled on Colter by Corallian (Operator) in 2018;
- Corallian estimates gross mean prospective resources of 30 million barrels of recoverable oil for the Colter prospect; and
- Corallian financial modelling based on the above prospective resources forecasts a gross NPV (10) in the success case of £255 million.

Since Reabold's initial investment, we have been very pleased with the significant progress that has been achieved within the Corallian portfolio, including multiple farm-outs of both the Colter and Wick prospects.

On 12 February 2018, Reabold announced that Corallian was intending to raise additional capital ("the fundraise") in order to increase its exposure to the Colter prospect from 40% to 50%, to increase its exposure to the Wick prospect from 25% to 40%, and to further progress additional assets including the Oulton prospect. Following the fundraise Corallian is fully funded for all of this activity.

Reabold was pleased to support and participate in the fundraise and on 1 March 2018 announced that it had signed two subscription agreements with Corallian Energy being made from existing cash resources. The first agreement was an unconditional subscription for 333,333 new Corallian shares at £1.50 per share for an investment of £0.5 million, and was completed in February 2018 . The second agreement gave Reabold the option to subscribe for an additional 333,333 new Corallian shares at a price of £1.50 per share for an investment of £0.5 million any point up to 6 April 2018, which was completed prior to the expiry date. Taking the full Corallian fundraisings into account, Reabold has invested a total of £2.5 million for a current interest in 32.9% of Corallian's issued share capital.

Danube Petroleum Investment

In December 2017, the Company entered an agreement with Danube Petroleum Limited ("Danube") to invest a total of £1.5 million for a 29% interest in Danube. Danube holds a 50% interest in the high impact Parta licence, onshore Romania, and a 100% interest in a low-risk appraisal campaign within Parta, comprising of two wells planned in H2 2018 / H1 2019 to test 33 BCF prospective and contingent resources.

The Danube investment, which includes the right for Reabold to appoint a director to the Board of Danube, was formed of an initial 375,940 new shares issued upon completion of the transaction at £1.00 per share in March 2018. This will be followed by a further 1,127,819 new shares to be issued upon submission of an Authorisation for Expenditure for the first appraisal well at £1.00 per share anticipated in the third quarter of 2018. Reabold has an option of a further 375,940 shares in Danube at £1.00 per share, which can be actioned at the discretion of the Company within 6 months after completion of the transaction.

Highlights - Danube Petroleum Limited's Parta Project:

- Parta licence is situated onshore, within a proven and stable hydrocarbon region that benefits from low drilling and operating costs
- The two well Parta appraisal programme will redrill 1980s gas discoveries, including one that flowed gas to surface
- Recently acquired 3D seismic data has delineated considerable untapped gas resources of 33 BCF gross in the primary reservoir targets, with additional upside in other horizons
- Onshore Romania requires very low capital expenditure with nearby infrastructure, which will ensure fast payback following first gas
- Economics are highly attractive based on current gas prices of $6.2/mbtu and the Parta licence is considered profitable at substantially lower gas prices
- The Parta licence includes additional exploration and appraisal upside on the block with the potential for further total un-risked gross prospective resources of approximately 300 BCF of gas and 45 MMbbl of oil respectively identified on existing 2D seismic
- Danube Petroleum Limited gives Reabold a foothold in Eastern Europe, providing the Company the opportunity to consolidate other licences in the area

The 33 BCF of prospective and contingent resource Parta appraisal project will consist of two low-cost appraisal wells, planned for drilling in 2018. The directors, based on financial modelling of the prospective resources of the Parta appraisal project, estimate an NPV (10) in the success case of up to USD$86 million gross for a multi-well development across the two appraisal projects.

Tonsley Mining Pty Limited

On 19 April 2017, the Company announced that it had entered into an agreement to buy an initial interest in the advanced San Jose Lithium-Tin Project in Spain ("the San Jose Project") for a consideration of AUD$0.5 million (approx. £0.3 million). The San Jose Project is a Joint Venture between Plymouth Minerals Limited's ("Plymouth" ASX:PLH) subsidiary Tonsley Mining Pty Limited ("Tonsley") and Sacyr, S.A, the IBEX 35 Spanish listed multinational infrastructures and services company. This investment was in line with Reabold's strategy to identify strategic mineral opportunities with the potential to add significant shareholder value.

The initial investment in the San Jose Project was affected through a share subscription agreement in the amount of AUD$0.5 million to acquire a minority interest of approx. 2.0% in Tonsley, an Australian special purpose holding company which owns the rights to earn up to a 75% interest in the San Jose Project. After an agreed amount of time between the Parties or in the event no interest is earned by Tonsley (or its subsidiary) in the San Jose Project, there was an agreed contractual mechanism (by way of options) for the AUD$0.5 million funds to be returned to the Company.

Tonsley has the right to earn a 75% interest in the San Jose Project by spending EUR1.5 million for a first stage 50%, then EUR2.5 million for the additional 25%, which is being funded by Plymouth.

On 17 July 2017, the Company announced that it had delivered to Plymouth a Notice of Exercise of Put Option in respect of Reabold's interest in Tonsley, whereby Reabold wouldtransfer back to Plymouth its shares in Tonsley in consideration of receipt of AUD$0.5 million (approx. £0.3 million), payable on 18 July 2017. Whilst the Tonsley investment represented an interesting opportunity for Reabold, it was decided that this would not form a long term asset for Reabold and therefore that Reabold should exercise its put option and redeploy the money on other investments.

Mogul Ventures Corp. Investment
The Company acquired in June 2014 a 1.2% interest in Mogul Ventures Corp. ("Mogul"), a private company focused on natural resources in Mongolia, principally tin.

In September 2017 Mogul raised CAD$25,000 through a debenture convertible at $0.25 per share to provide working capital. Mogul management advise that Mogul is currently is discussion with two potential investors/strategic partners from China for development of the its tin project, as well as ongoing discussions with a TSX Venture Exchange listed company for a financing and listing transaction.

The Company's interest in Mogul is non-core to its investment focus on pre-cash flow upstream oil and gas projects, and the Company is evaluating its divestment.

Notwithstanding that Mogul management remain positive towards Mogul's future in the public markets under improved market conditions, the Company has impaired its 1.2% interest in Mogul from £200,000 to £50,000, given Mogul's cash constrained position and challenges to date in raising significant capital, and the lack of sufficient clarity of its financial position.

Post year-end acquisition – Gaelic Resources Ltd
The proposed acquisition of 100% of Gaelic is considered by management to be a perfect fit with the Reabold strategy, providing high-impact drilling opportunities in California, with considerably de-risked wells with low drilling costs and a fast path to monetisation.

Following completion of the Gaelic Acquisition, Reabold, through Gaelic, will have the right to earn-in to 50% of the Leases by drilling up to five wells by the end of 2019. Reabold expects three of these wells to be drilled before the end of 2018 with the first two, on the West Brentwood and Monroe Swell Leases, anticipated to be drilled in Q3. In a success case, these wells will be put onto production, providing cashflow for further drilling activity. The Leases are operated by Integrity Management Solutions (the "Operator"), a California operating company that will direct operational decisions pertaining to the licenses. The five-well drilling programme is expected to cost Reabold up to approximately USD$7 million for the five wells.

The Gaelic Acquisition is subject to the approval of a Resolution to authorise the issue and allotment of the 420 million Consideration Shares at a General Meeting of the Company to be held on 29 June 2018. Application will be made in due course for the Consideration Shares, which when issued, will rank pari passu with the existing ordinary shares in issue, to be admitted to trading on AIM. The vendors of Gaelic, who collectively will hold 12.86 per cent. of Reabold's enlarged issued share capital, have agreed to a lock-in period in respect of 75% of the Consideration Shares of six months from the date of issue and thereafter to orderly market arrangements for a further six months.

Consultants
We were delighted to appoint as a consultant to the Company, Dr Peter Dolan, who has been involved in the oil and gas exploration industry since 1965 and has considerable experience with a wide range of pre-cash flow assets. He has an extensive network of personal contacts in the industry and is an active member of the Geological Society as well as various professional bodies and charities. Peter co-founded Ophir Energy plc and Ikon Science Limited and numerous other entities which have long since made their exits. He has also invested in early stage companie, including the oil and gas sector. Peter brings a wealth of experience to the Company in his role as a consultant.

The Board looks forward to reporting further in due course.

This report was approved by the Board and signed on its behalf:

Jeremy Edelman
Chairman

28 June 2018

Much has been achieved in the several months since we joined Reabold, including:

- three rounds of fundraising attracting strong institutional support;
- investments in Corallian and Danube funding an exciting (and potentially transformational) drilling campaign;
- the proposed acquisition of 100% of Gaelic; and
- maturing a number of further exciting transactions.

These achievements are just the first part of executing our differentiated strategy which is tailored to create shareholder value against an industry backdrop that has caused widespread share price underperformance in junior exploration and production companies since 2012.

Our strong focus on this sector during our many years in the asset management industry leaves us fully understanding the frustration felt by investors experiencing falling share prices despite sound underlying asset bases. At the core of the Reabold strategy is the conversion of quality assets into positive share price performance, and this mindset drives everything that we do.

This is a very exciting time in the upstream oil & gas industry; costs remain extremely low following the downturn, and with a healthy commodity price outlook, project returns (for high quality assets) are more robust than has been the case for quite some time. As such, this is the ideal time to put capital into the ground, and the lack of activity in conventional oil & gas over the last half a decade has resulted in an abundance of interesting projects in need of financing.

We are extremely excited by the return potential these opportunities provide Reabold investors and look forward to embarking on a multi-well transformational drilling campaign over the next twelve months.

Business Model

Reabold is an investor in upstream oil and gas projects with an aim to create value from each project by investing in undervalued, low-risk, near-term upstream oil & gas projects and by identifying realistic potential exit plans prior to investment. The Company is focused on investment in pre-cash flow upstream oil and gas projects, primarily as significant minority interests or controlling interests in unlisted oil and gas companies.

The Company's long term strategy is to re-invest capital made through its investments into larger projects in order to grow the Company. Reabold aims to gain exposure to assets with limited downside and high potential upside, capitalising on the value created between the entry stage and exit point of its projects. The Company invests in projects that have limited correlation to the oil price.

Reabold has a highly-experienced management team, who possess the necessary background, knowledge and contacts to carry out the Company's strategy. Management believes the current distress in the oil & gas industry presents an opportune time to deploy capital in undervalued assets with huge potential.

The Company has made two initial investments in Corallian and Danube and management continues to assess a number of other high quality opportunities. As announced on 14 June 2018, the Company announced the acquisition of 100% of the issued share capital of Gaelic subject to shareholder approvals at the General Meeting of the Company to be held on 29 June 2018. Gaelic has the right to earn-in to 50% of multiple near-term, high-impact oil and gas leases in California, United States by drilling up to five wells by the end of 2019.

Corallian

Corallian management expects both the Colter and Wick prospects to be drilled in 2018. According to Corallian management estimates, the Colter project targets an NPV (net to Corallian at a 50% equity interest) of £128M based on 15M barrels of oil and a $55/bbl oil price. Corallian management estimates a 58% chance of success. The Wick project targets an NPV (net to Corallian at a 40% equity interest) of £84M based on 9.4M barrels of oil and a $55/bbl oil price. Corallian management estimates a 30% chance of success.

Danube

Reabold’s investment in Danube offers the Company exposure to the low-risk, high-impact Parta license, onshore Romania. In line with Reabold's strategy, and as previously announced, a two-well appraisal campaign is scheduled for H2 2018. The objective of the campaign is to test 33 BCF of prospective and contingent resources, delieniated by 3D seismic data, gross to Danube Petroleum that will generate $86m of NPV to Danube Petroleum.

Parta particularly stood out as an opportunity due to the low drilling and operating costs which meant the time to invest in the asset was now. The economics are extremely attractive based on current gas prices and the license is considered profitable at considerably lower gas prices.

As part of the planned work programme, the appraisal wells are also intended to be producer wells. Danube can use the abundance of nearby infrastructure to readily monetise gas, thereby creating cashflow for Danube and subsequently Reabold. This cash can then be used to target further upside on the licence on which prospective resources of 300BCF of gas and 45 MMbbl of oil have been identified by the operator. As part of the appraisal campaign, two gas discoveries, one of which has previously flowed gas to surface, will be re-drilled.

Principal Risks and Uncertainties
The Company continuously monitors its risk exposures and reports to the board of directors ("The Board") on a regular basis. The Board reviews these risks and focuses on ensuring effective systems of internal financial and non-financial controls are in place and maintained.

Risk	Mitigation	Magnitude & Likelihood
Exploration Risk, Reabold's investee companies fail to locate and explore hydrocarbon bearing prospects that have the potential to deliver commercially, e.g. key wells are dry or less successful than anticipated.	Analysis of available technical information to determine work programme. Risk sharing arrangements entered into to reduce downside risk.	Magnitude- High Likelihood – High
Permitting Risk, planning, environmental, licensing and other permitting risks associated with our investees operations particularly with exploration drilling operations.	Reabold's investee companies have to date been successful in obtaining the required permits to operate. Therefore, Reabold considers that such risks are partially mitigated through compliance with regulations, proactive engagement with regulators, communities and the expertise and experience of the management teams.	Magnitude- High Likelihood – Medium
Liquidity Risk, because of its investee's exploration and development activities.	The Board regularly reviews Reabold's cashflow forecast and the availability or adequacy of its current facilities to meet Reabold's cash flow requirements.	Magnitude- High Likelihood – Medium

Financial Review
The loss of the Company for the 12 months ended 31 December 2017 was £1,152,000 (2016: loss of £115,000), including impairment charge of £150,000 (2016: £nil) and share based payments expense of £559,000 (2016: £nil). The net assets as at 31 December 2017 were £5,732,000 (2016: £509,000). As at 31 December 2017, the Company had cash of £5,307,000 (2016: £340,000). Due to the relative limited time frame and activity of the Company to date in respect to the current focused strategy, the Board have not identified any key performance indicators of the Company.

Outlook
We are highly encouraged by the success we have had so far in the implementation of our strategy to invest in low-risk, high impact upstream oil and gas projects. With a portfolio that now contains the Danube and Corallian appraisal campaigns drilling in 2018, and the proposed acquisition of 100% of Gaelic and its exciting programme in 2018, together with a number of other projects currently under review, Reabold shareholders can look forward to an exciting 2018 and beyond.

Sachin Oza and Stephen Williams
Co-Chief Executive Officers

28 June 2018

Jeremy Edelman – Non-Executive Chairman
Jeremy Edelman holds Bachelor degrees in Commerce and Law together with a Masters degree in Applied Finance. Jeremy is admitted as a solicitor to the Supreme Courts of Western Australia and New South Wales. Jeremy subsequently worked for some of the world's leading investment banks, including Bankers Trust and UBS Warburg in debt and acquisition finance. He has held consulting and director positions in listed companies in the UK and Australia, such as Mt Grace Resources NL, with a focus on resource exploration and development, including investment companies established with the specific objective of investing in resources projects. He also has corporate finance experience, having been responsible for co-coordinating a number of companies in making acquisitions in a variety of resource sectors, including oil and gas, uranium, molybdenum, base metals and coal. He has worked in various regions of the world, including the Republic of Kazakhstan, Russia, South Africa and Australia. Jeremy served as a Non-Executive Director of Leni Gas Cuba Limited until 12 July 2016, a Director of Altona Energy Plc (also known as Altona Resources Plc) until 4 July 2006, Executive Director of Leni Gas & Oil PLC from August 2006 to December 2010 and Director of Braemore Resources Plc until 27 July 2005.

Sachin Oza – Executive Director and Co-Chief Executive
Sachin Oza has 17 years' investment experience, including 14 years' covering the energy sector. He joined Guinness Asset Management in April 2016, having previously worked as an investment analyst at M&G Investments for 13 years, where he covered the Utility, Transport, Mining and Oil & Gas sectors on a global basis. Mr Oza has also held investment analyst roles at Tokyo Mitsubishi Asset Management and JP Morgan Asset Management.

Stephen Williams – Executive Director and Co-Chief Executive
Stephen Williams has 15 years' experience in the energy sector. He joined Guinness Asset Management in April 2016, having previously worked as an investment analyst at M&G between 2010 and 2016, where he focussed on energy and resources. Prior to this, Mr Williams worked as an energy investment analyst for Simmons & Company International between 2005 and 2010 and from 2003 to 2005 he worked as an analyst at ExxonMobil.

Anthony Samaha – Non-Executive Director
Anthony Samaha is a Chartered Accountant who has over 20 years' experience in accounting and corporate finance, including resources development. Anthony worked for over 10 years with international accounting firms, including Ernst & Young, principally in corporate finance, gaining significant experience in valuations, IPOs, independent expert reports, and mergers and acquisitions. He has extensive experience in the listing and management of AIM quoted companies, such as Equatorial Palm Oil Plc, Altona Energy Plc and Braemore Resources Plc, including fund raisings, project development and mergers and acquisitions. Anthony has been involved in acquisitions and resource projects in various regions of the world, including Australia, South Africa, West Africa, North America, Kazakhstan and the People's Republic of China. Anthony is currently the Finance Director of TSX Venture Exchange listed LGC Capital Ltd. He holds Bachelor of Commerce and Bachelor of Economics degrees from the University of Western Australia, and is an Associate of the Chartered Accountants Australia and New Zealand and an Associate of the Financial Services Institute of Australasia.

The Directors submit their report and the audited financial statements of the Company for the year ended 31 December 2017.

Principal activities
The principal activity of the Company is that of an investment holding company focused on investment in pre-cash flow upstream oil and gas projects, primarily as significant minority interests or controlling interests in unlisted oil and gas companies.

Results and dividends
The results of the Company are shown on page 18. No dividends were declared or paid in the year (2016: £nil). The Directors do not recommend the payment of a final dividend.

Post balance sheet events
Details of post reporting date events are disclosed in Note 18 of the financial statements.

Financial Risk Management
The Company's continuing operations expose it to foreign currency, credit and liquidity risks. The Company was exposed to price risk during the year on its investment in unlisted shares. The Board's strategy in managing the market price risk inherent in the Company's portfolio of equity investments is determined by the requirement to meet the Company's investment objective. The Directors manage these risks by regular reviews of the portfolio within the context of current market conditions. The size of the Company means that it is unnecessary and impractical for the Directors to delegate the responsibility of monitoring financial risk management to a sub-committee of the Board. Refer to Note 17 of the financial statements, for further details.

Directors and their interests
The names of the Directors who held office during the year and their shareholdings are shown below.

Director	**At 31 December 2017**	At 1 January 2017
Jeremy Edelman *	**169,000,000**	149,000,000
Sachin Oza	**10,000,000**	-
Stephen Williams	**10,000,000**	-
Anthony Samaha	**-**	-

** including 144,000,000 shares held by Saltwind Enterprises Ltd, a company connected with Jeremy Edelman.*

The total options held by directors as at 31 December 2017 was 190,000,000. Sachin Oza and Stephen Williams each held 90,000,000 options which are exercisable at 0.5p, 0.75p and 1.0p up until 19 October 2021. Anthony Samaha held 10,000,000 options exercisable at 0.5p up until 19 October 2021.

Directors' indemnity
The Company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions.

Going concern
The financial statements have been prepared on the going concern basis. The Directors have prepared cash flow forecasts for the period ending 30 June 2019 which take account of the current cost and operational structure of the Group and investment agreements.

These forecasts demonstrate that the Group has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Key performance indicators
Due to the current status of the Company, the Board has not identified any performance indicators as key, at this stage.

Outlook and future developments
Future developments are outlined in the Chairman's Statement and Strategic Report.

Political and charitable contributions
The Company made no contributions to charitable or political bodies during the year (2016: £Nil).

Substantial shareholders
As at 27 June 2018, the Company had been notified of the following substantial shareholdings in the ordinary share capital:

Holder	No. of shares	%
Miton Group Plc	286,666,666	10.1%
Saltwind Enterprises Ltd & J Edelman	169,000,000	6.0%
J O Hambro Capital Management Ltd	166,666,666	5.9%
Ruffer LLP	166,666,666	5.9%
City Financial Investment Company Ltd	165,000,000	5.8%

Corporate governance
The Board is committed to ensuring good standards of corporate governance in so far as practicable for a company of this size. Although the Company does not comply with the UK Corporate Governance Code, the Directors have established procedures, so far as is practicable, given the Company's size, to comply with the UK Corporate Governance Code. The Company has adopted and operates a share dealing code for Directors and senior employees in line with EU Market Abuse Regulation.

Employment Policies and Remuneration
The Company is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure ongoing success for the business. Employees and those who seek to work with the Company are to be treated equally regardless of sex, marital status, creed, age, colour, race or ethnic origin.

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Board has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of Directors' emoluments and payments made for professional services rendered are set out in Note 6 to the financial statements.

Board of Directors
The Board meets regularly to determine the policy and business strategy of the Company and has adopted a schedule of those matters that are reserved as the responsibility of the Board. The Directors who held office during the year and up to the date of this report are given below:

Jeremy Edelman	(Non-Executive Chairman)
Sachin Oza	(Executive Director and Co-CEO) (appointed 19 October 2017)
Stephen Williams	(Executive Director and Co-CEO) (appointed 19 October 2017)
Anthony Samaha	(Non-Executive Director)

Board committees
In view of the current size of the Company, the Board has not delegated certain authorities to committees. The Board will implement an Audit Committee, Remuneration Committee and Nominations Committee in the 2018 financial year.

Corporate and social responsibility
The Company maintains high, ethical standards in its business activities. We act responsibly, promoting accountability as individuals and as a company. We operate with ethics and fairness and comply with all required rules and regulations.

The Company requires that in respect to any of our investee's exploration and development, there runs alongside this a comprehensive community engagement plan. It is vital that our investee companies engage, listen and communicate effectively with local communities, particularly when they begin the process of planning new developments.

Controlling party
In the opinion of the directors there is no controlling party.

Statement of disclosure to auditor
So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Matters covered in the Strategic Report
As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic Report instead. These matters relate to the Bussiness review, principal risks and uncertainties, key performance indicators and future developments (outlook).

Auditor
In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Mazars LLP was put to the Annual General Meeting held on 16 August 2017 and was approved. The auditor, Mazars LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006. Mazars LLP has signified its willingness to continue in office as auditor.

Annual General Meeting
Notice of the forthcoming Annual General Meeting will be enclosed separately.

By order of the Board, 28 June 2018

A Samaha
Registered Office:
20 Primrose Street
London
EC2A 2EW

The Directors are responsible for preparing the Strategic report, the Directors' 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 financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the 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 IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 financial statements may differ from legislation in other jurisdictions.

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of the company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

Area of focus	How our audit addressed the area of focus
Share Based Payments	
During 2017, three of the directors were issued with a total of 190 million share options in the company in return for the rendering of services. These share based payments are classified by the company as equity settled share based payments. The accounting for share based payments was a key audit matters because the expense recognised was material and incorporates a judgemental value option. The company valued the option using a Black-Scholes Model, whereby inputs such as volatility, dividend yield and risk free rate require judgement. The impact of the profit and loss for the year is a charge of £559,000.	Our procedures included but were not limited to the following: • compared the terms and conditions for the options with the appropriate board minutes and RNS announcements and with the individual share option deeds with the directors. • obtain the company's valuation model and assessed the reasonableness of the inputs, including performing sensitivities on the key judgemental assumptions. • evaluated the adequacy of the disclosures in the financial statements in relation to the share based payments. On the basis of our audit procedures, we have not identified any misstatements in the calculation of the share based payment charge in the financial statements.

Area of focus	How our audit addressed the area of focus
Impairment of Investment Assets	
The company has one investment in equity instruments that is carried at historical cost less any identified impairment losses at the end of each reporting period. An impairment of £150,000 against of this investment was made in the year. The determination of the level of impairment requires management to estimate the future income or recoverability of their initial investment. A risk therefore exists due to the significant management judgements.	Our procedures included but were not limited to the following: • assessed management’s impairment review methodology and processes. • reviewed management’s process by which they determined there were indicators of impairment; • reviewed the documentation management used to determine the level of impairment required and assessed the reasonableness of the key assumptions applied. • reviewed the adequacy of the disclosures in the financial statements. On the basis of our audit procedures, we have not identified any significant issues regarding management’s assessment of the required impairment provisions.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements on the financial statements and our audit. Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute assurance about whether the financial statements are free from material misstatement. The level of materiality we set is based on our assessment of the magnitude of misstatements that individually or in aggregate, could reasonably be expected to have influence on the economic decisions the users of the financial statements may take based on the information included in the financial statements. Based on our professional judgement the level of overall materiality we set for the financial statements is outlined below:

Overall materiality:	£118,000
Benchmark applied:	This has been calculated with reference to the company’s total assets, of which it represents approximately 2%.
Basis for chosen benchmark:	Total assets have been identified as the principal benchmark within the financial statements as it is considered to be the focus of the shareholders. 2% has been chosen to reflect the level of understanding of the stakeholders of the company in relation to the inherent uncertainties around accounting estimates and judgements.

On the basis of our risk assessments, together with our assessment of the company’s overall control environment, our judgement was that performance materiality was £94,000 which is approximately 80% of overall company materiality. We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £3,500 as well as any misstatements below that amount that, in our opinion, warranted reporting for qualitative reasons.

An overview of the scope of our audit

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, 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 light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit 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.

Samantha Russell (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date:

REABOLD RESOURCES PLC

Statement of comprehensive income for the year ended 31 December 2017

	Notes	**2017** £'000	**2016** £'000
Administration expenses		**(342)**	(115)
Impairment	9	**(150)**	-
Provision	11	**(101)**	-
Share based payments expense	13	**(559)**	-
Loss on ordinary activities before taxation	4	**(1,152)**	(115)
Taxation on loss on ordinary activities	7	**-**	-
Loss for the financial year		**(1,152)**	(115)
Other comprehensive income		**-**	-
Total comprehensive loss for the financial year		**(1,152)**	(115)
Attributable to:			
Equity holders		**(1,152)**	(115)
		(1,152)	(115)
Loss per share			
Basic loss per share (pence)	8	**(0.18)**	(0.04)
Diluted loss per share (pence)	8	**(0.14)**	(0.04)

All amounts relate to continuing operations.

The notes on pages 22 to 33 form part of these financial statements.

Statement of financial position as at 31 December 2017

Company no. 3542727

	Notes	2017 £'000	2016 £'000
ASSETS			
Non-current assets			
Investments available for sale	9	**550**	200
		550	200
Current assets			
Cash and cash equivalents		**5,307**	340
Trade and other receivables	10	**30**	1
Prepayments		**32**	-
		5,369	341
Total assets		**5,919**	541
EQUITY			
Capital and reserves			
Share capital	12	**1,654**	435
Share premium account		**13,048**	8,451
Capital redemption reserve		**200**	200
Share based payment reserve		**559**	
Retained loss		**(9,729)**	(8,577)
Total equity		**5,732**	509
LIABILITIES			
Current liabilities			
Trade and other payables	14	**65**	4
Provisions	11	**101**	-
Accruals	14	**21**	28
Total liabilities		**187**	32
Total equity and liabilities		**5,919**	541

Approved by the Board of Directors on 28 June 2018
Signed on behalf of the board of directors:

Anthony Samaha
Director

The notes on pages 22 to 33 form part of these financial statements.

REABOLD RESOURCES PLC

Statement of changes in equity for the year ended 31 December 2017

	Share capital	Share premium account	Advance received for shares to be issued	Capital redemption reserve	Share based payments reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance as at 31 December 2015	**395**	**8,291**	**200**	**200**	**-**	**(8,462)**	**624**
Total comprehensive loss for the year	-	-	--	-	-	(115)	**(115)**
Changes in equity for 2016							
Issue of share capital	40	160	-	-	-	-	**200**
Advance received for shares to be issued	-	-	(200)	-	-	-	**(200)**
Balance as at 31 December 2016	**435**	**8,451**	**-**	**200**	**-**	**(8,577)**	**509**
Total comprehensive loss for the year	-	-	-	-	-	(1,152)	**(1,152)**
Changes in equity for 2017							
Issue of share capital	1,219	4,597	-	-	-	-	**5,816**
Share based payments	-	-	-	-	559	-	**559**
Balance as at 31 December 2017	**1,654**	**13,048**	**-**	**200**	**559**	**(9,729)**	**5,732**

The notes on pages 22 to 33 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2017

Statement of cash flows for the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Loss before taxation		**(1,152)**	**(115)**
Adjustments:			
Impairment	9	**150**	**-**
Share based payments	13	**559**	**-**
Provisions	11	**101**	**-**
Realised foreign exchange gain		**(6)**	**-**
Operating cash flows before movement in working capital		**(348)**	**(115)**
(Increase)/decrease in receivables		**(29)**	**-**
Increase/(decrease) in payables and accruals		**54**	**(26)**
(Increase)/decrease in prepayments		**(32)**	**-**
Net cash used in operating activities		**(355)**	**(141)**
Cash flows from investing activities			
Purchase of available for sale investments	9	**(795)**	**-**
Proceeds from divestment of available for sale investments	9	**302**	**-**
Net cash used in investing activities		**(494)**	**-**
Cash flows from financing activities			
Share placement net proceeds	12	**5,816**	**-**
Net cash generated from financing activities		**5,816**	**-**
Net increase/(decrease) in cash and cash equivalents		**4,967**	**(141)**
Cash and cash equivalents at the beginning of the period		**340**	**481**
Cash and cash equivalents at the end of the period		**5,307**	**340**
Cash and cash equivalents comprises:			
Cash and cash equivalents		**5,307**	**340**
Overdraft and borrowings		**-**	**-**
		5,307	**340**

The notes on pages 22 to 33 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2017

Reabold Resources Plc is a public limited company registered in England and Wales under the Companies Act and limited by shares. Registered in England number 3542727 at 20 Primrose Street, London EC2A 2EW. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 10 to 12.

1. Preparation of financial statements

Standards, amendments and interpretations in issue but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 "Financial Instruments"

The IASB have released IFRS 9 following completion of the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 and has been endorsed by the European Union.

IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs. These include how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after 1 January 2018. This standard has been endorsed by the European Union.

IFRS 16 "Leases"

The IASB has published IFRS 16 'Leases', completing its long-running project on lease accounting. The new Standard, which is effective for accounting periods beginning on or after 1 January 2019, requires lessees to account for leases 'on-balance sheet' by recognising a 'right-of-use' asset and a lease liability. It will affect most companies that report under IFRS and are involving in leasing, and will have a substantial impact on the financial statements of lessees of property and high value equipment. This standard has been endorsed by the European Union.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods. The Company's management will undertake a review of the impact on the Company of the above new standards during 2018.

2. Summary of significant accounting policies

Basis of accounting

The 2017 financial statements are prepared under International Financial Reporting Standards, as adopted for use by the European Union.

The financial statements have been prepared on the going concern basis and historical cost basis, except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit and loss.

The financial statements are presented in sterling, the currency of the primary economic environment in which the Company operates and in which the majority of the Company's transactions are denominated.

The principal accounting policies adopted are set out below.

2. Summary of significant accounting policies (continued)

Going concern
The financial statements have been prepared on the going concern basis. The Directors have prepared cash flow forecasts for the period ending 30 June 2019 which take account of the current cost and operational structure of the Company and investment agreements. These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Taxation
The tax charge represents the sum of current and deferred tax.

Current tax payable is based on taxable profits for the year. Taxable profits differ from net profits as reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entity where there is an intention to settle on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised.

Currencies
Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary items in the statement of financial position are retranslated at the closing exchange rate at each statement of financial position date, and the resulting translation differences are recorded in profit or loss.

Impairment of investments available for sale
At each reporting date, if there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the recoverable amount, which is calculated using the Value in Use method. Any impairment loss is recognised immediately in the Statement of Comprehensive Income. Such impairment losses shall not be reversed.

Share based payments
The Company has an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed 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).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances, employees may provide services in advance of the grant date, and therefore the grant-date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

2. Summary of significant accounting policies (continued)

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 profit or loss, with a corresponding adjustment to equity.

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

Financial instruments
Financial assets and financial liabilities are recognised in the Company's statements of financial position when the Company has become a party to the contractual provisions of the instrument.

Investments available for sale
Classification
The Company classified its investments in unlisted shares that are not traded in an active market as available for sale at inception. Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Recognition
Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investments.

Measurement
Unlisted Investments are initially recognised at cost, being the fair value of consideration given. Where the Company has investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured these are carried at historic cost less any identified impairment losses at the end of each reporting period.

Fair value hierarchy
IFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:
Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can readily observe;
Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and
Level 3 - inputs that are not based on observable market data (unobservable inputs).

Unlisted Investments are therefore classified at level 2 of the fair value hierarchy when initially recognised.

Loans and other receivables
Loans and other receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest rate method, as reduced by appropriate provisions for estimated irrecoverable amounts less provision for impairment. A provision for impairment is accounted for when management deems the specific receivable balance not to be collectable. The amount of the impairment loss is recognised in the statement of comprehensive income.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term deposits and liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on the expected yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expect life of the expected financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that creates a residual interest in the assets of the Company.

2. Summary of significant accounting policies (continued)

Trade payables
Trade payables are stated at their amortised cost less any discount or rebate received.

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

Share premium
Representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Capital redemption reserve
Where a company acquires its own shares out of free reserves, then a sum equivalent to the nominal value is transferred to a capital redemption reserve.

Share based payments reserve
Represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Company from time to time as part of the consideration paid.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical accounting judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Critical judgements in applying the Company's accounting policy

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions.

(b) Key sources of estimation uncertainty

As the Company is an investing company, the key source of estimation uncertainty is the impairment review of unlisted investments. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

A further key source of estimation uncertainty is the calculation of share based payments. The Company uses the Black-Scholes option-pricing model where applicable, with inputs, in particular volatility, requiring significant judgement in application.

3. Segment analysis

The segmental analysis relates to the operations of the Company, as these are individual financial statements of the Company. The Company has one reportable operating segment on the basis that it incurs expenses from one business activity; being investing, and on the basis that it currently operates in one geographical location; being Europe. During the current year, the Company did not generate any revenue from its investment activities.

4. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation has been arrived at after charging/(crediting):	Note	2017 £'000	2016 £'000
Auditor's remuneration – audit of Company		**15**	12
Auditor's remuneration – other taxation advisory services		**6**	-
Impairment loss on available for sale investment	**9**	**150**	-
Provision for VAT non-claimable	**11**	**101**	-
Share based payments	**13**	**599**	-
Staff costs – Directors	**5**	**121**	55
Foreign exchange gain on disposal of available for sale investment		**(6)**	-

5. Staff costs

Staff employment costs were:

	2017 £'000	2016 £'000
Wages and salaries	**111**	50
Social security costs	**10**	5
Other pension costs	**-**	-
	121	55

During the year there were no employees (2016: nil) employed by the Company excluding four Directors in administration roles. The staff costs during the year include the accrual of director fees in the amount of £6,000 (2016: £16,000) which were not paid during the reporting period.

6. Directors' remuneration

The emoluments paid to Directors during the year was as follows:

	Salary & fees £'000	Share based payments £'000	Pension contribution £'000	2017 Total £'000	2016 Total £'000
Executive Directors					
Jeremy Edelman	24	-	-	**24**	24
Anthony Samaha	27	63	-	**90**	26
Sachin Oza	30	248	-	**278**	-
Stephen Williams	30	248	-	**278**	-
	111	559	-	**670**	50

An accrual of £6,000 for director fees which were unpaid during the reporting period has been made.

The directors are the key management personnel of the Company.

As at 31 December 2017, no Director was accruing benefits under a money purchase scheme (2016: none). The total options held by directors as at 31 December 2017 was 190,000,000. Sachin Oza and Stephen Williams each held 90,000,000 options which are exercisable at 0.5p, 0.75p and 1.0p up until 19 October 2021. Anthony Samaha held 10,000,000 options exercisable at 0.5p up until 19 October 2021.

7. Taxation on loss on ordinary activities

Factors affecting tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK 20.0% from 1 January 2017 to 1 April 2017 and 19.0% from 1 April 2017 (2016: 20%).

	2017 £'000	**2016** £'000
Loss on ordinary activities before tax	**(1,152)**	(115)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK	**(221)**	(23)
Effects of:		
Unrelieved tax losses	**221**	23
Total tax for the year	-	-

No deferred tax assets have been recognised in the year (2016: nil).

The corporation tax rate was 20.0% from 1 April 2014 to 1 April 2017 and 19.0% from 1 April 2017. Thus the corporation tax rate for the year ended 31 December 2017 is 19.25%.

The Company has unused tax losses of £2.2 million and capital losses of £2.5 million. The deferred tax asset for these losses, amounting to £914,000 (2016: £835,000) has not been recognised as the timing of profits is uncertain.

8. Loss per share

The calculations of the basic and diluted earnings per share are based on the following data:	**2017** £'000	**2016** £'000
Loss for the year	**(1,152)**	(115)
Loss for the purpose of basic earnings per share	**(1,152)**	(115)
	Number	**Number**
Number of shares		
Weighted average number of ordinary shares in issue during the year	**655,361,644**	320,148,773
Effect of dilutive options	**190,000,000**	-
Diluted weighted average number of ordinary shares in issue during the year	**845,361,644**	320,148,773
Loss per share		
Basic loss per share (pence)	**(0.18)**	(0.04)
Diluted loss per share (pence)	**(0.14)**	(0.04)

9. Investments available for sale

	2017 £'000	**2016** £'000
At 1 January	**200**	200
Addition at cost – Tonsley	**295**	-
Divestment – Tonsley	**(295)**	
Addition at cost – Corallian	**500**	
Impairment – Mogul	**(150)**	-
At 31 December	**550**	200

9. Investments available for sale (continued)

On 19 April 2017, the Company announced that it had entered into an agreement to acquire an initial interest of approx. 2.0% in Tonsley for a consideration of AUD$0.5 million (approx. £0.3 million). Tonsley owns rights to earn up to 75% of the San Jose lithium project in Spain. Tonsley has the right to earn a 75% interest in the Project by spending EUR1.5 million for a first stage 50%, then EUR2.5 million for the additional 25%. After an agreed amount of time between the Parties or in the event no interest is earned by Tonsley (or its subsidiary) in the Project, there was an agreed contractual mechanism (by way of options) for the AUD$0.5 million funds to be returned to the Company. On 17 July 2017, the Company announced that it had delivered to Plymouth a Notice of Exercise of Put Option in respect of Reabold's interest in Tonsley, whereby Reabold wouldtransfer back to Plymouth its shares in Tonsley in consideration of receipt of AUD$0.5 million (approx. £0.3 million), payable on 18 July 2017. Whilst the Tonsley investment represented an interesting opportunity for Reabold, it was decided that this would not form a long term asset for Reabold and therefore that Reabold should exercise its put option and redeploy the money on other investments.

On 1 November 2017, the Company announced that it had entered into two share subscription agreements with Corallian to subscribe for 1,111,111 ordinary shares in the issued share capital of Corallian representing 35.4% of the issued share capital of Corallian for an aggregate subscription price of £1.5 million as follows:

i) Reabold has entered into an unconditional share subscription agreement to subscribe for 370,370 ordinary shares in the issued share capital of Corallian ("Tranche A Shares") for an aggregate subscription amount of £0.5 million which amount is payable immediately against transfer to Reabold of the Tranche A Shares. The Tranche A Shares represent 15.4% of the issued share capital of Corallian.

ii) Reabold has entered into a conditional share subscription agreement to subscribe for 740,741 ordinary shares in the issued share capital of Corallian ("Tranche B Shares") for an aggregate subscription amount of £1.0 million, representing 23.6% of the enlarged issued share capital of Corallian and which subscription is conditional upon the joint venture partners in licence P1918 in respect of the Colter appraisal project approving an authorisation for expenditure for the drilling of the Colter well prior to 30 April 2018 failing which Reabold's obligation to subscribe for the Tranche B Shares terminates. On issue of the Tranche B Shares to Reabold, and for so long as Reabold holds more than 30% of the issued share capital of Corallian, Reabold has the right to appoint a director to the board of directors of Corallian.

As outlined in the Chairman's Statement, the Directors have impaired the Company's investment in Mogul by £150,000 from a carrying value of £200,000 to £50,000, in view of Mogul's difficulties in attracting material financing to progress its tin project in Mongolia, despite the positive tin price trend. It is noted that, in the opinion of the Directors, the fair value of the Company's investment in Mogul is challenging to reliably measure given the relatively early stage of development of the entity, and the limited availability of financial and technical information. Accordingly the available for sale investments in Mogul has been measured at cost (less impairment) rather than fair value because the fair value cannot be measured reliably.

The Company has assessed the fair value of its investment in Corallian as at 31 December 2017 as £1.35 per share, applying the subscription price of the Corallian equity raising announced in November 2017. It is noted that in February 2018, the Company announced that it was participating in a further fund raising by Corallian at a subscription price of £1.50 per share, following positive progress by Corallian in 2019.

10. Trade and other receivables

	2017	**2016**
	£'000	£'000
VAT receivable	**30**	1
	30	1

The receivable is in respect of VAT receivable for the December quarter. All receivables are due within one year. As outlined in Note 11, the Company has made a provision for the recoverability of the VAT receivable for the December 2017 quarter in the amount of £29,957.

11. Provisions

	2017 £'000	2016 £'000
At 1 January	**-**	-
Provisions – charge for the year	**101**	-
At 31 December	**101**	-

The Company has been advised by HRMC that following a review of its activities, HMRC has assessed the Company's investment activities is not a supply for consideration and as a result the Company cannot claim any Input Tax related to its investment activities. HMRC had assessed that all expenses claimed since registration in December 2012 are related to investment activities and that it would be disallowing claimed Input Tax in the amount of £71,129 up to September 2017. The Company has made a further provision for VAT receivable for the December 2017 quarter in the amount of 29,957. The Company is in discussions with HMRC, in consultation with its taxation advisors, towards HMRC reversing this assessment and is awaiting a further response from HMRC.

12. Share capital

	Number of ordinary shares	Nominal Value £	Total Value £'000
Issued at 31 December 2015	**280,915,896**	**£0.001**	**281**
On 8 January 2016, placing for cash at 0.5p per share	40,000,000	£0.001	40
Issued at 31 December 2016	**320,915,896**	**£0.001**	**321**
On 18 April 2017, placing for cash at 0.5p per share	73,500,000	£0.001	73
On 25 September 2017, placing for cash at 0.5p per share	792,000,000	£0.001	792
On 25 September 2017, debt for shares at 0.5p per share	2,000,000	£0.001	2
On 13 October 2017, placing for cash at 0.5p per share	352,000,000	£0.001	352
Issued at 31 December 2017	**1,540,415,896**	**£0.001**	**1,540**

"A" Deferred shares
The Company has in existence at 31 December 2016 and at 31 December 2017, 6,915,896 "A" deferred shares of 1.65p. These deferred shares do not carry voting rights.

Total ordinary and "A" Deferred shares
The issued share capital as at 31 December 2017 is as follows:

	Number of ordinary shares	Nominal Value £	Total Value £'000
Ordinary shares	1,540,415,896	£0.0010	1,540
"A" Deferred shares	6,915,896	£0.0165	114
Issued at 31 December 2017			**1,654**

The holders of ordinary shares are entitled to one vote per share at the meetings of the Company and to dividends as declared in proportion to the amounts paid up on the ordinary shares. No shares are of the Company are currently redeemable or liable to be redeemable at the option of the holder or the Company.

The holders of "A" Deferred shares do not have any right to receive written notice of or attend, speak or vote at any general meeting of the Company, or to any dividend declared by the Company. They may however be redeemed by the Company at any time at its option for one penny for all the "A" Deferred shares without obtaining sanction of such holders.

12. Share capital (continued)

Share Options
During the year 190 million options were granted (2016: nil).

Exercise Price	Grant Date	Vesting Date	Expiry Date	Options in Issue 31 December 2017
0.50p	19 October 2017	19 October 2017	19 October 2021	**70,000,000**
0.75p	19 October 2017	19 October 2018	19 October 2021	**60,000,000**
1.00p	19 October 2017	19 April 2019	19 October 2021	**60,000,000**
				190,000,000

At 31st December 2017 there were 190 million share options outstanding (2016: nil).

13. Share based payments

Details of share options and warrants granted during the year to Directors over the ordinary shares are as follows:

Option Holder	At 1 January 2017 No.	Issued during the year No.	Lapsed / Exercised during the year No.	At 31 December 2017 No.	Exercise Price Pence	Vesting Date	Expiry Date
Sachin Oza	-	30,000,000	-	30,000,000	0.50p	19/10/2017	19/10/2021
Sachin Oza	-	30,000,000	-	30,000,000	0.75p	19/10/2018	19/10/2021
Sachin Oza	-	30,000,000	-	30,000,000	1.00p	19/04/2019	19/10/2021
Stephen Williams	-	30,000,000	-	30,000,000	0.50p	19/10/2017	19/10/2021
Stephen Williams	-	30,000,000	-	30,000,000	0.75p	19/10/2018	19/10/2021
Stephen Williams	-	30,000,000	-	30,000,000	1.00p	19/04/2019	19/10/2021
Anthony Samaha	-	10,000,000	-	10,000,000	0.50p	19/10/2017	19/10/2021
	-	**190,000,000**	**-**	**190,000,000**			

The number and weighted average exercise prices of share options are as follows:

	2017		2016	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 January	-	-	-	-
Granted during the year	0.74	190,000,000	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at 31 December	0.74	190,000,000	-	-
Exercisable at 31 December	0.74	70,000,000	-	-

The options outstanding at 31 December 2017 have a weighted average contractual life of 3.80 years (2016: Nil).

The closing share price range during the year ended 31 December 2017 was 0.32p to 0.98p.

The options issued during the year were all granted on 19 October 2017 and vest in tranches upon grant, 12 months from grant and 18 months from grant. Should the option holder leave the Board prior to the vesting of their options, such options will be forfeited.

13. Share based payments (continued)

For the options granted, IFRS 2 "Share-Based Payment" is applicable, and the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	Risk free rate	Share price volatility	Expected life	Share price at date of grant
Granted 19 October 2017	0.72%	120%	4 years	0.77p

Expected volatility was determined by calculating the historical volatility of the Company's share price.

The Company recognised total expenses relating to equity-settled share-based payment transactions during the year of £559,000 (2016: nil).

14. Trade and other payables

	2017 £'000	2016 £'000
Trade and other payables	**65**	4
Accruals	**21**	28
	86	32

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. All liabilities are due within one year.

15. Related party transactions

There were no loans from related party as at 31 December 2016 and 31 December 2017.

During the year ended 31 December 2017, the Company incurred fees to Santannos Limited, a company associated with Anthony Samaha, for provision of accounting services in the amount of £3,000 (2016: nil). As at 31 December 2017, an amount of £3,000 was included in accounts payable in respect of these fees.

The directors are the key management of the Company (refer to note 6).

16. Commitments

On 1 November 2017, the Company announced it had entered into a conditional share subscription agreement to subscribe for 740,741 ordinary shares in the issued share capital of Corallian ("Tranche B Shares") for an aggregate subscription amount of £1.0 million, with the subscription conditional upon the joint venture partners in licence P1918 in respect of the Colter appraisal project approving an authorisation for expenditure for the drilling of the Colter well prior to 30 April 2018 failing which Reabold's obligation to subscribe for the Tranche B Shares terminates. As at 30 April 2018, no such authorisation for expenditure for the drilling of the Colter well had been approved. Subsequently, on 25 May 2018, Reabold advised Corallian that it waived the condition for the Tranche B Shares and proceeded to complete the Tranche B subscription on 28 May 2018 in the amount of £1.0 million.

On 4 December 2017, the Company announced that it had signed an agreement with Danube, a newly incorporated subsidiary of ASX listed ADX Energy Ltd, to invest a total of £1.5 million for a 29% interest in Danube. The investment was conditional on completion of a transaction between Danube and ADX Energy Ltd, by 28 February 2018, which would result in Danube holding a 50% interest in the Parta licence in Romania, and a 100% interest in a low-risk appraisal campaign within Parta. The investment comprised an initial 375,940 new shares to be issued upon completion of the transaction at £1.00 per share This will be followed by a further 1,127,819 new shares to be issued upon submission of an Authorisation for Expenditure for the first appraisal well at £1.00 per share. On 19 February 2018, the Company agreed to extend the date for completion of the transaction to 31 March 2018, with completion taking place on 23 March 2018.

17. Financial risk management

The Company's operations expose it to a limited level of credit, foreign currency and liquidity risk. There is not any financial risk arising from the effects of changes in market prices of commodities based on its current activities.

The Company does not use derivative financial instruments to manage interest rate costs, and no hedge accounting is thus applied. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

Credit risk
The Company's credit risk is primarily attributable to its trade receivables and cash balances. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Price risk
Price risk arises from uncertainty about the future prices of financial instruments held within the Company's portfolio. It represents the potential loss that the Company might suffer through holding market positions in the face of market movements. The investments in equity and fixed interest stocks of unlisted companies are not traded and as such the prices are more uncertain than those of more widely traded securities. The Board's strategy in managing the market price risk inherent in the Company's portfolio of equity investments is determined by the requirement to meet the Company's investment objective. The Directors manage these risks by regular reviews of the portfolio within the context of current market conditions. Unlisted investments are valued as per accounting policy in these financial statements.

Liquidity risk
The Company actively maintains a treasury system that maintains a net credit position and is designed to ensure the Company have sufficient available funds for operations and planned expansions.

Maturity of financial liabilities
The following table shows details the Company's remaining contractual maturity for its non-derivative financial liabilities. The maturity of the financial liabilities table has been drawn up based on the undisclosed cash flows based on the earliest date on which the Company can be required to pay.

	2017	**2016**
	£'000	£'000
Within one year	**65**	32

Interest rate risk
The Company's exposure to changes in interest rate risk relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Company on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Foreign currency risk
The Company incurs foreign currency risk on investments that are denominated in currencies other than Sterling. At present, the Company does not have any formal policy for hedging against exchange exposure. The Company may, when necessary, enter into foreign currency forward contracts to hedge against exposure from foreign currencies fluctuations. As at both 31 December 2017 and 31 December 2016 the Company has an investment denominated in Canadian Dollar. Any movement in the Canadian Dollar against Sterling will create a fair value gain or loss. The Company has assessed the impact of changes in exchange rates as not being significant to the Company.

Capital risk management
The Directors consider the Company's capital to comprise of share capital and reserves stated on the statement of financial position. The Company manages its capital to ensure the Company will be able to continue on a going concern on a long term basis while ensuring the optimal return to shareholders and other stakeholders through an effective debt and equity balance. No changes were made in the objectives, policies and processes during the current or previous year.

The share capital, including share premium, and reserves totalling £5,732,000 (2016: £509,000) provides the majority of the working capital required by the Company. The Management reviews the capital structure and makes adjustment to it in the light of changes in economic conditions.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair value.

17. Financial risk management (continued)

Categories of financial instruments

	2017	**2016**
	£'000	£'000
Financial assets:		
Cash and cash equivalents	**5,307**	340
Receivables	**-**	1
Available for sale investments	**550**	200
Total financial assets	**541**	541
Financial liabilities:		
Other financial liabilities	**65**	32
Total financial liabilities	**65**	32

18. Post balance sheet events

On 1 March 2018, the Company announced it had signed two subscription agreements with Corallian. The first agreement was an unconditional subscription for £500,000 of new Corallian shares completed in February 2018 . The second agreement gave Reabold the option to subscribe for an additional £500,000 of new Corallian shares at any point up to 6 April 2018, which was completed prior to the expiry date.

On 19 March 2018, the Company announced the completion of a fund raising of 1,291,750,000 new ordinary shares at a price of 0.6 pence per share, raising £7.75 million (before expenses) to support the Company's investment policy.

On 14 March 2018, the Company announced the granting of 125,000,000 options of which 45,000,000 million have an exercise price of 0.60p and vest immediately, 40,000,000 have an exercise price of 0.90p and vest 12 months from grant; and 40,000,000 have a exercise price of 1.2p and vest 18 months from grant.

On 28 March 2018, the Company announced the completion of the first tranche of the investment in Danube, with Reabold receiving an in initial 375,940 new shares in Danube on payment of the consideration of £375,940.

On 30 May 2018, the Company announced the completion of the final tranche of its investment in Corallian for £1,000,000, as per the announcement on 1 November 2017. Including the £1,500,000 already invested as per the announcements on 1 March 2018 and 1 November 2017, Reabold has invested £2,500,000 in Corallian and owns 32.9% of Corallian's issued share capital.

On 14 June 2018, the Company announced the acquisition of 100% of the issued share capital of Gaelic for the issue of 420 million new ordinary shares, representing £3,045,000 at the closing price of 0.725p per share on AIM on 12 June 2018 ("Acquisition"). The Acquisition is subject to shareholder approvals at the General Meeting of the Company to be held on 29 June 2018. Gaelic has the right to earn-in to 50% of multiple near-term, high-impact oil and gas leases in California, United States by drilling up to five wells by the end of 2019. Further information in respect to the Acquisition is outlined in the Chairman's Statement.

19. Ultimate controlling party

In the opinion of the directors there is no controlling party.