Registered number: 1570939

EMPIRE METALS LIMITED (formerly GEORGIAN MINING CORPORATION)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

EMPIRE METALS LIMITED

CONTENTS

COMPANY INFORMATION

Directors	Neil O'Brien (Non-Executive Chairman) Michael Struthers (Chief Executive Officer) Gregory Kuenzel (Finance Director) Peter Damouni (Non-Executive Director) David Ajemian (Non-Executive Director)
Registered Office	Craigmuir Chambers PO Box 71 Road Town Tortola British Virgin Islands VG1110
Company Number	1570939
Bankers	HSBC Bank plc 70 Pall Mall London SW1Y 5EZ
Nominated Adviser and Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Independent Auditor	PKF Littlejohn LLP Registered Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Hill Dickinson LLP 105 Jermyn Street St James's London SW1Y 6EE
Solicitors (BVI)	Harney Westwood & Riegels Craigmuir Chambers PO Box 71 Road Town, Tortola British Virgin Islands VG1110

CHAIRMAN'S REPORT

As shareholders will be aware, our progress relating to the advancement of our Bolnisi Project in Georgia towards production was frustrated during the period under review by continuing delays by the government in Georgia regarding the extension of the exploration permit. Some of the uncertainty relating to this was somewhat alleviated shortly after the year end, in January 2020, when the Company's joint venture company, Georgian Copper & Gold JSC ('GCG'), in which Empire Metals Limited ("EEE" or "Empire Metals") holds a 50% interest, received confirmation of tenure from the National Agency of Mines ('NAM') for two key deposits in the Bolnisi Project licence area, namely Kvemo Bolnisi East and Dambludi.

The confirmation of tenure over Kvemo Bolnisi East and Dambludi was a significant milestone in the Company's ongoing efforts to obtain the extension to the permit in Georgia and marked the culmination of many months of work by the team and NAM. However, alongside this tenure confirmation, correspondence from NAM confirmed its intention to return the remainder of the Bolnisi Project licence area, including three further deposits identified by the Company, being Kvemo Bolnisi West, Tsitel Sopeli and Balichi, to the State. An appeal process is currently underway with the Minister of Economy and Sustainable Development in Georgia with the objective of GCG securing its rights to the remainder of the licence area. Further updates regarding the appeal process will be made as appropriate.

As reported in the Final Results for the year ended 31 December 2018, as a result of the previous delays to the confirmation of tenure over the Georgian exploration assets the Board determined that they did not, at that time, fully meet the capitalisation criteria under IFRS 6 and an impairment provision was recognised against these assets. As reported above, the confirmation of tenure over Kvemo Bolnisi East and Dambludi was received post period end and as such, the impairment has not been adjusted as at year end however, it is expected that a partial write back will be reflected in the Company's interim accounts for the half year ended 30 June 2020.

Following the confirmation of tenure over Kvemo Bolnisi East and Dambludi on 28 January 2020, the Company updated its development schedule for these assets, particularly in respect of Kvemo Bolnisi East, the target which has been the focus of much of the Company's investment to date. It had been the Company's objective to re-commence activities at Kvemo Bolnisi East as soon as possible however, partly due to the various travel and work restrictions necessitated by the COVID-19 pandemic in March 2020, any planned recommencement of work has been postponed. Also, the necessary amendments to the licence to allow work to re-commence on these two projects are unlikely to be made whilst the current appeal process is still underway, and this has of course been further delayed by the pandemic. The Board will continue to manage and respond to the COVID-19 outbreak and will continue to act in the best interests of keeping its employees, contractors and the local community safe. Further updates relating to the Company's activities in Georgia will be announced in due course.

Outside of Georgia, the Company has made progress with its strategy to identify compelling new assets through which the Company can add short term value. Post period end, Empire Metals raised £600,000 by way of an equity placing and subscription of new ordinary shares with new and existing shareholders in the Company announced on 28 February 2020, to advance this process.

The Board evaluated a large number of potential targets and narrowed its search down to a small number of opportunities which it believed met its stringent investment criteria. Following this, on 27 April 2020, EEE announced that it had entered into a Binding Heads of Agreement with ASX listed Artemis Resources Limited ("Artemis") to acquire a 41% interest in the Munni Munni Palladium Project in the West Pilbara, Western Australia and has first right of refusal on a further 29% interest in the project.

Munni Munni comprises four granted mining leases and an exploration licence covering a 64km^2 tenement area. It is the largest unexploited primary PGE resource in Australia and contains the largest intrusion in the West Pilbara hosting a JORC-compliant 2004 Resource of 24Mt @ 2.9 g/t Platinum Group Element (PGE) and gold (12.4Mt Measured, 9.8Mt Indicated, and 1.4Mt Inferred), containing 1,140,000 ounces palladium, 830,000 ounces platinum, 152,000 ounces gold and 76,000 ounces rhodium. The teams at Artemis and Empire Metals are making progress toward the completion of the acquisition and in the meantime have agreed to commence with the planned drilling programme at the project in order to take advantage of the current drilling season. The programme is designed to extend primary reef mineralisation and test historical assay grades from diamond drilling using RC drilling, test for the presence of a second reef below the primary PGE reef, and generate data that may contribute to a JORC 2012 Mineral Resources Estimate in the future.

The Board is very excited about the opportunity that the Munni Munni Project offers. It satisfies Empire Metal's objective of de-risking the Company's growth strategy by diversifying away from a single jurisdiction investment, combining an exceptional project with an attractive and mature investment environment, and I look forward to updating shareholders on completion and further plans for Munni Munni in due course.

Financial Results

As an exploration and development group which has no revenue we are reporting a loss for the twelve months ended 31 December 2019 of £675,592 (31 December 2018: loss of £8,785,533).

The Group's cash position at the date of signing this report is £363,000.

CHAIRMAN'S REPORT

Corporate

Post period end, the Company announced the appointment of David Ajemian, a prominent natural resources and growth company investor and entrepreneur, as a Non-Executive Director. At the same time, Laurie Mutch, who had held the position of Non-Executive Director since March 2017, stepped down from the Board in order to concentrate on his other business interests. During his time on the Board, Laurie was a hugely supportive force behind the business and his many contributions to the Company will be missed.

As shareholders will be aware, the Board also agreed that to reflect the Company's developing growth strategy, particularly with regard to the investment in, and advancement of, projects in new jurisdictions outside of Georgia, a change of name would be appropriate. The Company's new name – Empire Metals Limited – came into effect on 10 February 2020.

The Company's website can now be found at www.empiremetals.co.uk.

Outlook

Following the confirmation of tenure over two of the Company's key Georgian projects in January, along with the successful fundraising in February and the agreement to acquire a controlling interest in the Munni Munni Project in April, the Board is positive about the future for EEE. Emerging from the difficult and frustrating year that was 2019, the Company has been strengthened both financially and corporately in 2020 and on behalf of the Board, I am optimistic about our ability to deliver on our key strategic aims this year. We are of course cognisant of the unprecedented global disruption which the COVID-19 pandemic is creating for communities and economies worldwide, however the Board has adopted a prudent and responsible approach to both our financial and operational activities and we are confident that EEE is well equipped to weather the current market downturn.

We look forward to reporting on our activities in Georgia and in new jurisdictions over the second half of 2020. I would like to take this opportunity to thank our shareholders and my fellow directors for their continued support as we look forward to a bright future as Empire Metals Limited.

Neil O'Brien
Non-Executive Chairman
30 June 2020

EMPIRE METALS LIMITED

DIRECTORS' REPORT

The Directors present their Report, together with the Group Financial Statements and Independent Auditor's Report, for the year ended 31 December 2019.

Principal Activities and Business Review

The principal activity of the Group is to implement its mineral exploration strategy to advance projects towards defining a sufficient in-situ mineral resource to support a detailed feasibility study towards mine development and production.

A detailed review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Report on pages 3 and 4.

Principal risks and uncertainties are discussed on pages 6 to 9.

Section 172 of The Companies Act has been considered in the Corporate Governance report on pages 9 to 13. The Board are committed to consideration of all stakeholders in their decision making and conduct of the Group's business.

Results and Dividends

The loss of the Group for the year ended 31 December 2019 before taxation amounts to £675,592 (31 December 2018: loss of £8,785,533).

The Directors do not recommend the payment of a dividend for the year (31 December 2018: £nil).

Directors & Directors' Interests

The Directors who served during the year ended 31 December 2019 had the following beneficial interests in the shares of the Company at year end. There were no changes in interest as at the date of this Report.

	31 December 2019		31 December 2018	
Director	**Ordinary Shares**	**Options**	**Ordinary Shares**	**Options**
Gregory Kuenzel	597,467	2,500,000	597,467	2,500,000
Peter Damouni	907,500	2,000,000	407,500	2,000,000
Neil O'Brien	1,650,000	800,000	1,650,000	800,000
Laurence Mutch*	150,000	1,150,000	150,000	1,150,000
Michael Struthers	350,000	2,000,000	350,000	2,000,000
David Ajemian**	-	-	-	-

**Resigned 31 January 2020*
***Appointed 31 January 2020*

Further details on options can be found in Note 15 to the Financial Statements. Directors' remuneration is disclosed in Note 18.

Key Performance Indicators ("KPIs")

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will be used by the Board to assess performance over the period following the settlement of the license issue.

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

	2019	**2018**
Cash and cash equivalents	£50,840	£525,354
Administrative expenses as a percentage of total assets	303.56%	202.82%
Exploration costs capitalised	-	£287,245

The reason for the significant increase in the administrative costs as a percentage of total assets is due to the reduced assets following the impairment of the Group exploration assets in Georgia and related investment balances in the prior year and reduced cash reserves during the year. The actual administrative expense in total has reduced from the prior year.

This is the seventh complete year of corporate and exploration activity.

Corporate Responsibility

Environmental

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

Health and safety

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

The Group has established and published robust corporate health, safety, environmental and community relations policies, and at the operations level have put into place clear safe operating procedures covering a variety of the Group's activities. The active participation of all staff in the development, implementation and further development of these procedures is actively encouraged.

Principal Risks and Uncertainties

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

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

Operational Risk

The outbreak of the recent global COVID-19 virus has resulted in business disruption and stock market volatility. The extent of the effect of the virus, including its long term impact, remains uncertain. The Group has implemented extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to operate with minimal disruptions. This is discussed further in the going concern Note in 2.4.

Environmental risk

In relation to the Group's existing projects the environmental impact to date is limited to activities associated with exploration. The ultimate development of any project into a mining operation will inevitably impact considerably on the local landscape and communities. These projects sit in an area of considerable natural beauty and therefore there is likely to be opposition to mining by some parties. This may impact on the cost and/or Group's ability to sell or move these projects into production.

While the Group believes that its operations and future projects are currently, and will be, in substantial compliance with all relevant material environmental and health and safety laws and regulations, including relevant international standards, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced.

Nevertheless, the Group will continue to vigorously apply international standards to the design and execution of any and all of its activities, including engagement and consultation with local communities, and non-governmental and Governmental organisations to ensure any impacts of current and future activities are minimised and appropriately managed. The Group has established a comprehensive suite of health, safety, environmental and community policies which will underpin all future activities.

Exploration and mining risks

Whilst the Directors endeavour to apply what they consider to be the latest technology to assess potential projects, the business of exploration for and identification of minerals and metals, in particular gold, is speculative and involves a high degree of risk. The mineral and metal deposits of any projects acquired by the Group may not contain economically recoverable volumes of minerals, base metals, precious metals or hydrocarbons of sufficient quality or quantity. Even if there are economically recoverable deposits, delays in the construction and commissioning of mining projects, risks of non-renewal or extensions of the licences or other technical difficulties may make the deposits difficult to exploit.

The exploration and development of any project may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the Group. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays.

Exploration is also subject to general industrial operating risks, such as equipment failure, explosions, fires and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. The Group may also be liable for the mining activities of previous miners and previous exploration works. Although the Group intends, itself or through its operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Group or the operator of an exploration project will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Group may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

Reserve and resource estimates

The Group's reported reserves and resources are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral and metal reserve and resource estimates may require revision (either up or down) based on actual production experience.

Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Group may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover.

In the preparations of resources and reserves the Group uses recognised international estimation methods and reporting standards, such as the Australian JORC Code (2012), or that of the Canadian Institute of Mining standard (CIM, 2010).

Volatility of gold, copper and other commodity prices

Historically, commodity prices (including in particular the price of gold and copper) have fluctuated and are affected by numerous factors beyond the Group's control, including global demand and supply, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the long term, may adversely impact the returns of the Group's exploration projects.

A significant reduction in global demand for gold, leading to a fall in gold or copper prices, could lead to a significant fall in the cash flow of the Group and/or a delay in exploration and production or even abandonment of a project should it prove uneconomical to develop, which may have a material adverse impact on the operating results and financial condition of the Group.

Financing

The successful exploration or exploitation of natural resources on any project will require significant capital investment. The only sources of financing currently available to the Group are through the issue of additional equity capital in the Company or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of their investment strategy and acquired operations. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion.

Political, economic and regulatory regime

The licences and operations of the Group are in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control. Whilst the Group will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations.

The Group's activities will be dependent upon the grant of appropriate licences, concessions, leases, permits, and regulatory consents that may be withdrawn or made subject to limitations. There can be no assurance that they will be granted or renewed or if so, on what terms. There is also the possibility that the terms of any licence may be changed other than as represented or expected.

Georgia, the current focus of the Group's activity, offers a stable political framework and actively supports foreign investment. The country has a well-developed exploration and mining code and proactive support for foreign companies. Through a programme of proactive engagement with Government at all levels the Group is able to partially mitigate these risks by establishing professional working relationships.

Dependence on key personnel

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

Nevertheless, through programmes of incentivising staff, appropriate succession planning, and good management these risks can be largely mitigated.

Dependence on JV Partner

The Group's short term production plans are based on utilising its JV Partner's existing plant and other infrastructure. The ability of the Group to move into production in the short term is dependent on being granted access to this infrastructure and entering into a production and processing agreement with the JV Partner.

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in foreign currency exchange rates, funding risk, credit risk, liquidity risk and interest rate risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments to manage foreign currency risk and, as such, no hedge accounting is applied.

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

Internal Controls

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

Going Concern

To continue as a going concern, the Group is reliant on future cash resources. The Directors have a reasonable expectation that the Group has and will have future access to adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern in Note 2.4 of the Financial Statements.

Directors' and Officers' Indemnity Insurance

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

Provision of Information to Auditor

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

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

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 30 June 2020 and signed on its behalf.

Michael Struthers
Chief Executive Officer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group, 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 Group's website, www.empiremetals.co.uk. The Group is compliant with AIM Rule 26 regarding the Group's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

CORPORATE GOVERNANCE REPORT

The Board of Empire Metals Limited have adopted the QCA Corporate Governance Code ("the Code") as its code of corporate governance. The Code is published by the Quoted Companies Alliance ("QCA") and is available at www.theqca.com.

Corporate Governance Report
The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Group and Company applies each of the principles:

Principle One
Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a single strategy for the Group . The Group's strategy is to continue to progress the development of its existing projects in Georgia and (as of April 2020) the Munni Munni project in Australia, and on an ongoing basis to evaluate existing and new mineral resource opportunities with a view to potential joint venture arrangements and/or other corporate activities. The Board implements this by focusing investment into the exploration of world-class mineralised domains, establishing strict criteria for project selection, utilising industry recognised methods of exploration and resource development, applying a results-driven approach, actively monitoring operational and financial performance, measured against deliverable targets and budgets and considering alternative commercial options for projects which no longer meet the established criteria of the Group.

Principle Two
Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.empiremetals.co.uk, and via Michael Struthers, CEO who is available to answer investor relations enquiries.

Principle Three
Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company participate in a structured Company-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

Principle Four
Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	**Risk**	**Impact**	**Control(s)**
Environmental Risk	Negative environmental impact of operations	The ultimate development of any project into a mining operation will inevitably impact considerably on the local landscape and communities	Vigorously apply international standards to the design and execution of any and all of its activities, including engagement and consultation with local communities, and non-governmental and Governmental organisations to ensure any impacts of current and future activities are minimised and appropriately managed

Exploration and Mining Risk	The mineral and metal deposits of any projects acquired by the Group may not contain economically recoverable volumes of minerals, base metals, precious metals or hydrocarbons of sufficient quality or quantity.	The ongoing economic viability of the Company	Ongoing monitoring of results, assessment by independent experts on recoverable volumes, geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays
Exploration Permit Renewal	The Company's Exploration permits are not all renewed	The loss of the right to explore the key assets could affect the ability of the Group to continue as a going concern	Proactive engagement with Government at all levels
Reserve and resource estimates	Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative.	Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production.	In the preparations of resources and reserves the Group uses recognised international estimation methods and reporting standards, such as the Australian JORC Code (2012) and CIM (2010).
Volatility of gold, copper and other commodity prices	Fluctuations in commodity prices, over the long term, may adversely impact the returns of the Group's exploration projects.	A significant reduction in global demand for gold, leading to a fall in gold or copper prices, could lead to a significant fall in the cash flow of the Group and/or a delay in exploration and production or even abandonment of a project should it prove uneconomical to develop, which may have a material adverse impact on the operating results and financial condition of the Group.	Ongoing monitoring of economic events and markets
Strategic	Market downturn Failure to deliver commerciality	Change in Macro economic conditions Inability to secure offtake agreements	Ongoing monitoring of economic events and markets Active marketing and experienced management
Financial	Misappropriation of Funds IT Security Ability to raise further capital	Fraudulent activity and loss of funds Loss of critical financial data The Group may be required to reduce the scope of its investments or anticipated expansion	Robust financial controls and split of duties Regular back up of data online and locally Ongoing monitoring of economic events and markets

Political, economic and regulatory regime	The licences and operations of the Group are in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control.	The Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations.	Proactive engagement with Government at all levels
Operational	COVID-19 outbreak	Change in Macro economic conditions Ability of key staff and contractors to undertake their duties safely and effectively	Ongoing monitoring of economic events and markets. Business continuity plans

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Finance Director and the outsourced finance function and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five
A Well Functioning Board of Directors

As at the date hereof the Board comprised, the CEO Michael Struthers, Chairman Neil O'Brien, Finance Director Gregory Kuenzel and two Non-Executive Directors, David Ajemiam and Peter Damouni. Details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board meets at least twice per annum. It has established an Audit Committee, Remuneration Committee and AIM Compliance Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. Peter Damouni, Neil O'Brien and David Ajemian are considered to be Independent Directors. The Board shall review further appointments as scale and complexity grows.

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone. To date there have been at least bi-monthly meetings of the Board, and the volume and frequency of such meetings is expected to continue at this rate. The formal board meetings held and attended during the year are detailed below:

	Meetings Attended	Meetings eligible to attend
Michael Struthers	4	4
Neil O'Brien	4	5
Gregory Kuenzel	4	4
Laurence Mutch (resigned on 31 January 2020)	5	5
Peter Damouni	5	5

Principle Six
Appropriate Skills and Experience of the Directors

The Board consists of five Directors and, in addition, the Company has employed the services of Gregory Kuenzel to act as the Company Secretary. The Company is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines. The Director's experience and skills are listed on the Company's website, www.empiremetals.co.uk.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Michael Struthers
Chief Executive Officer

Neil O'Brien
Non-executive Chairman
Member of the Audit, Remuneration and AIM Compliance Committees.

Gregory Kuenzel
Finance Director and Company Secretary

Peter Damouni
Non-executive Director
Chairman of the Remuneration Committee, AIM Compliance Committee and the Audit Committee.

David Ajemian
Non-executive Director

Principle Seven
Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance of the various governance components, as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight
Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine
Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee
The Audit Committee comprises Neil O'Brien and Peter Damouni who chairs this committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

CORPORATE GOVERNANCE REPORT

There was one Audit Committee meetings held during the year with all committee members in attendance.

Remuneration Committee
The Remuneration Committee comprises Neil O'Brien and Peter Damouni chairs this committee. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

There were no Remuneration Committee meetings held during the year due to the Company's reduced spending measures.

AIM Compliance Committee
The AIM Compliance Committee comprises Neil O'Brien and Peter Damouni chairs this committee. The AIM Compliance Committee is responsible for the coordinating and monitoring the Company's regulatory responsibilities including liaising with the Nomad and the London Stock Exchange as necessary. The purpose of the AIM compliance committee is to designate responsibility of ensuring best practice and application of the defined corporate governance procedures. No AIM Compliance Committee meetings were held during the year.

Nominations Committee
The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors
The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten
Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company though its website, www.empiremetals.co.uk., and via Michael Struthers, CEO, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

Peter Damouni
Non-Executive Director

30 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPIRE METALS LTD

Independent Auditor's Report to the Members of Empire Metals Ltd

Opinion

We have audited the group financial statements of Empire Metals Ltd (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement 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 group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2019 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to Note 2.4 in the financial statements, which indicates that the group incurred losses of £675,592 (2018: £8,785,533), has net current liabilities and currently has no significant sources of revenues. The group is reliant on additional capital funding through the issue of new ordinary shares. Furthermore, the ongoing economic uncertainty of the Covid-19 pandemic could impact the ability of the group to raise new funds in a timely manner. As stated in Note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our application of materiality

Group materiality 2019	Group materiality 2018	Basis for materiality
£75,000	£110,000	7% of loss before tax (2018: 10% of loss before tax)

Our calculation of materiality has changed from the materiality applied in 2018. We consider 7% of loss before tax to be a more appropriate benchmark for the group's financial position and performance used by shareholders.

The group was audited to a level of materiality of £75,000. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit. This is updated accordingly during fieldwork and completion dependent on adjustments made during the audit.

An overview of the scope of our audit

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

Of the 5 reporting components of the group, a full scope audit was performed on the complete financial information of 2 components and, for the other components, a limited scope review was performed because they were not material to the group.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPIRE METALS LTD

The audit of the 5 reporting components of the group were principally performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mining exploration entities and publicly listed entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the 'Material uncertainty relating to going concern' section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group financial statements does not cover the other information and 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.

Responsibilities of directors

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

In preparing the group financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the entity's members, as a body, in accordance with our engagement letter dated 18 April 2018. Our audit work has been undertaken so that we might state to the entity'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 entity and the entity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Registered Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

30 June 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	Group 2019 £	Group 2018 £
Non-Current Assets			
Property, plant and equipment	8	**17,882**	34,042
Investment in joint venture	22	**-**	-
Intangible assets	9	**-**	-
		17,882	34,042
Current Assets			
Trade and other receivables	10	**167,971**	141,105
Cash and cash equivalents	11	**50,840**	525,354
		218,811	666,459
Total Assets		**236,693**	700,501
Current Liabilities			
Trade and other payables	12	**91,191**	242,701
		91,191	242,701
Total Liabilities		**91,191**	242,701
Net Assets		**145,502**	457,800
Equity attributable to owners of the Parent			
Share capital	13	**-**	-
Share premium	13	**39,265,637**	38,904,337
Reverse acquisition reserve		**(18,845,147)**	(18,845,147)
Other reserves	14	**138,014**	136,020
Retained losses		**(20,413,002)**	(19,737,410)
Total equity attributable to owners of the Parent		**145,502**	457,800
Non-controlling interest		**-**	-
Total Equity		**145,502**	457,800

The Financial Statements were approved and authorised for issue by the Board of Directors on 30 June 2020 and were signed on its behalf by:

Gregory Kuenzel
Finance Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2019

	Note	Group	
		Year ended 31 December 2019	Year ended 31 December 2018
Continuing Operations		**£**	£
Revenue	6	**111,457**	213,265
Cost of sales		**-**	-
Gross profit		**111,457**	213,265
Administration expenses	7	**(718,509)**	(1,420,729)
Loss on deconsolidation of subsidiary		**-**	(265,094)
Other gains / (losses)	16	**29,367**	866,638
Impairment of intangible assets	9	**(97,907)**	(4,185,028)
Operating Loss		**(675,592)**	(4,790,948)
Share of net loss of joint venture accounted for using equity method	22	**-**	(3,994,585)
Loss before Taxation		**(675,592)**	(8,785,533)
Income tax	19	**-**	-
Loss for the year		**(675,592)**	(8,785,533)
Loss attributable to:			
- owners of the Parent		**(675,592)**	(8,774,021)
- non-controlling interests		**-**	(11,512)
Loss for the year		**(675,592)**	(8,785,533)
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**(6,298)**	448,800
Total Comprehensive Income		**(681,890)**	(8,336,733)
Attributable to:			
- owners of the Parent		**(681,890)**	(8,542,591)
- non-controlling interests		**-**	205,858
Total Comprehensive Income		**(681,890)**	(8,336,733)
Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & Diluted	20	**(0.535)**	(7.647)

The Notes on pages 21 to 40 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2019

	Attributable to Equity Shareholders						
	Share premium	Reverse acquisition reserve	Other reserves	Retained losses	Total	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
As at 1 January 2018	**38,880,612**	**(18,845,147)**	**384,099**	**(11,033,204)**	**9,386,360**	**3,787,365**	**13,173,725**
Loss for the year	-	-	-	(8,774,021)	(8,774,021)	(11,512)	(8,785,533)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	231,430	-	231,430	217,370	448,800
Total comprehensive income for the year	**-**	**-**	**231,430**	**(8,774,021)**	**(8,542,591)**	**205,858**	**(8,336,733)**
Transactions with owners							
Issue of ordinary shares	23,725	**-**	**-**	**-**	23,725	-	23,725
Share option charge	-	-	(12,634)	168	(12,466)	-	(12,466)
Expiry of share options	-	-	(69,647)	69,647	-	-	-
Deconsolidation of Georgian Copper and Gold	-	-	(397,228)	-	(397,228)	(3,993,223)	(4,390,451)
Total transactions with owners	**23,725**	**-**	**(479,509)**	**69,815**	**(385,969)**	**(3,993,223)**	**(4,379,192)**
As at 31 December 2018	**38,904,337**	**(18,845,147)**	**136,020**	**(19,737,410)**	**457,800**	**-**	**457,800**
As at 1 January 2019	**38,904,337**	**(18,845,147)**	**136,020**	**(19,737,410)**	**457,800**	**-**	**457,800**
Loss for the year	-	-	-	(675,592)	(675,592)	-	(675,592)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	(6,298)	-	(6,298)	-	(6,298)
Total comprehensive income for the year	**-**	**-**	**(6,298)**	**(675,592)**	**(681,890)**	**-**	**(681,890)**
Transactions with owners							
Issue of ordinary shares	380,000	-	-	-	**380,000**	**-**	**380,000**
Share issue charge	(18,700)	-	-	-	**(18,700)**	**-**	**(18,700)**
Share option charge	-	-	8,292	-	**8,292**	**-**	**8,292**
Total transactions with owners	**361,300**	**-**	**8,292**	**-**	**369,592**	**-**	**369,592**
As at 31 December 2019	**39,265,637**	**(18,845,147)**	**138,014**	**(20,413,002)**	**145,502**	**-**	**145,502**

The Notes on pages 21 to 40 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2019

	Note	Group	
		2019	2018
		£	£
Cash flows from operating activities			
Loss before taxation		**(675,592)**	(8,785,533)
Adjustments for:			
Share option expenses		**8,292**	12,446
Share of loss on joint venture		**-**	3,994,585
Loss on deconsolidation of Georgian Copper & Gold		**-**	265,094
Depreciation		**16,160**	23,092
Impairment of assets		**97,907**	4,185,028
Decrease/ (increase) in trade and other receivables		**(26,866)**	90,845
Increase in trade and other payables		**(151,510)**	141,058
Foreign exchange		**(6,298)**	(889,814)
Net cash used in operating activities		**(737,907)**	(963,199)
Cash flows from investing activities			
Loans granted to subsidiaries and joint venture partners		**(97,907)**	(801,929)
Purchase of property, plant & equipment		**-**	(2,815)
Additions to exploration and evaluation intangible asset		**-**	(287,245)
Decrease in cash on deconsolidation		**-**	(13,180)
Net cash used in investing activities		**(97,907)**	(1,105,169)
Cash flows from financing activities			
Proceeds from issue of shares		**380,000**	23,725
Cost of share issue		**(18,700)**	-
Net cash generated from financing activities		**361,300**	23,725
Net decrease in cash and cash equivalents		**(474,514)**	(2,044,643)
Cash and cash equivalents at beginning of year		**525,354**	2,569,997
Cash and cash equivalents at end of year	11	**50,840**	525,354

The Notes on pages 21 to 40 form part of these Financial Statements.

ACCOUNTING POLICIES

1. General Information

The principal activity of Empire Metals Limited (formerly Georgian Mining Corporation) ("the Company") and its subsidiaries (together "the Group") is to implement its mineral exploration strategy to advance projects towards defining a sufficient in-situ mineral resource to support a detailed feasibility study towards mine development and production.

The Company's shares are traded on AIM, a market operated by the London Stock Exchange. The Company is incorporated in the British Virgin Islands and domiciled in the United Kingdom. The Company changed its name to Empire Metals Limited on 10 February 2020.

The address of its registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, BVI.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union applicable to companies under IFRS. The Group Financial Statements have been prepared under the historical cost convention.

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

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

2.2 Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2019

As of 1 January 2019, the Company adopted IFRS 16 Leases, IFRIC 23 Uncertainty over leases, and IAS 28 (Amendments) Long term interests in associates and joint ventures. The transition to these standards had no material impact on the Group. There were no long term operating leases in the Group as at the transition date for IFRS 16; as such no adjustments were made under this standard.

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

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

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

* *Subject to EU endorsement*

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on future Group financial statementss

2.3 Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of Empire Metals Limited and the financial statements of all of its subsidiary undertakings made up to 31 December 2019.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where an entity does not have returns, the Group's power over the investee is assessed as to whether control is held. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Below is a summary of subsidiaries of the Group:

Name of subsidiary	Place of business	Parent company	Registered capital	Share capital held	Principal activities
Kibe Investments No.2 Limited	British Virgin Islands	Empire Metals Ltd	Ordinary shares US$12	100%	Dormant
Noricum Gold AT GmbH	Austria	Kibe Investments No.2 Limited	Ordinary shares €35,000	100%	Exploration
GMC Investments Limited	British Virgin Islands	Empire Metals Ltd	Ordinary shares US$1	100%	Dormant
European Mining Services Limited	United Kingdom	Empire Metals Ltd	Ordinary shares £1	100%	Mining Services

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Going Concern

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

The Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating steady revenue streams, an operating loss has been reported and an operating loss is expected in the 12 months subsequent to 31 December 2019, the Directors believe that the Group will have sufficient funds to meet its immediate working capital requirements and undertake its targeted operating activities over the next 12 months from the date of approval of these Financial Statements. The Group has significantly reduced its working capital requirements and has ceased expenditure on exploration as existing funds are not sufficient. The amount of funding required cannot be reliably estimated at the point of approval of these Financial Statements and the Group will need to raise additional funds either via an issue of equity or through the issuance of debt.

The outbreak of the recent global COVID-19 virus will lead to short term market volatility and uncertain long term impacts which may affect the Groups ability to raise further funding. The Group has implemented business continuity plans as well as reducing working capital expenditure whilst continuing to monitor the impacts of COVID-19. The Directors' acknowledge that the market volatility may impact the ability of the Company to raise funds in the near future. The auditors have included a 'Material Uncertainty' paragraph in their audit report as a result of this uncertainty.

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

2.5 Segment Reporting

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

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

2.6 Foreign Currencies

(a) Functional and presentation currency

Items included in the Financial Statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Company is Sterling, the functional currency of the BVI subsidiaries is US Dollars and the functional currency of the Austrian subsidiary is Euros. The Financial Statements are presented in Pounds Sterling, rounded to the nearest pound, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

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

(c) Group companies

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

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

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

2.7 Intangible Assets

Exploration and evaluation assets

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

Exploration and evaluation assets are recorded and held at cost.

Exploration and evaluation assets are assessed for impairment annually or when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. IFRS 6 permits impairments of exploration and evaluation expenditure to be reversed should the conditions which led to the impairment improve. The Group continually monitors the position of the projects capitalised and impaired.

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

2.8 Property, Plant and Equipment

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

Computer equipment – 20 to 50% straight line
Field equipment - 20 to 50% straight line
Vehicles – 20% straight line

All assets are subject to annual impairment reviews. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

The asset's residual value and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains / (losses)' in the income statement.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets that suffered impairment (except goodwill) are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial Assets

(a) Classification

The Group classifies its financial assets in the following categories: at amortised cost including trade receivables and other financial assets at amortised cost, The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(b) Recognition and measurement

Amortised cost
Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade and other receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principle and interest.

(c) Impairment of financial assets

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

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

(d) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.11 Financial Liabilities

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

Subsequent measurement

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

Trade and other payables

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

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

Derecognition

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

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

2.12 Cash and Cash Equivalents

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

2.13 Taxation

Tax for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

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

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

There has been no tax credit or expense for the period relating to current or deferred tax.

2.14 Share Capital, share premium and other reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Income Statement.

Other reserves consists of the share option reserve and the foreign exchange translation reserve.

2.15 Reverse acquisition reserve

The reverse acquisition reserve arose on the acquisition of Kibe Investments No. 2 Limited in 2010. There has been no movement in the reserve since that date.

2.16 Share Based Payments

The Group operates a number of equity-settled share-based schemes, under which the entity receives services from employees or third party suppliers as consideration for equity instruments (shares, options and warrants) of the Group. The Group may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged in the case of options is determined by reference to the fair value of the options or warrants 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).

In the case of shares and warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable the shares are valued by reference to the market price and the warrants are valued by reference to the fair value of the warrants granted as described previously.

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

When the warrants or 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 when the warrants or options are exercised.

2.17 Operating Leases

Leases of assets under which the short-term exemption under IFRS 16 has been taken and which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement on a straight-line basis over the period of the respective leases.

2.18 Revenue Recognition

Revenue is recognised in respect of amounts recharged to project strategic partners in accordance with their contractual terms. Revenue is also generated from management and consulting services to third parties.

The Group derives revenue from the transfer of services overtime and at a point in time in the service lines detailed below. Revenues from external customers come from consulting services.

The Group provides management services to subsidiary undertakings and joint venture entities for a fixed monthly fee. Revenue from providing services is recognised in the accounting period in which the services are rendered. Efforts to satisfy the performance obligation are expended evenly throughout the performance period and so the performance obligation is considered to be satisfied evenly over time.

2.19 Finance Income

Finance income consists of bank interest on cash and cash equivalents which is recognised using the effective interest rate method.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks being market risk (including, interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market Risk

(a) Foreign currency risks

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and Euros against the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group negotiates all material contracts for activities in relation to its subsidiary in USD and Euros. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

(b) Price risk

The Group is not exposed to commodity price risk as a result of its operations, which are still in the exploration phase. Other than insignificant consulting revenue, the only revenue relates to revenue charged to the joint venture JSC Georgian Copper & Gold. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

The Group has no exposure to equity securities price risk, as it has no listed equity investments.

(c) Interest rate risk

As the Group has no borrowings, it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit, which is not significant.

Credit Risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Liquidity Risk

In keeping with similar sized mineral exploration groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed. In February 2020, the Company raised £600,000 which will fund the Group for the next 12 months. See note 2.4 for further details on going concern and liquidity.

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and to enable the Group to continue its exploration and evaluation activities. The Group has no debt at 31 December 2019 and defines capital based on the total equity of the Company being £145,502. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

4. Critical Accounting Estimates and Judgements

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

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

Significant items subject to such estimates and assumptions include, but are not limited to:

Impairment of exploration and evaluation costs

Exploration and evaluation costs have a carrying value at 31 December 2019 of £nil (2018: £nil): refer to Note 9 for more information. The Group has a right to renew exploration permits and the asset is only depreciated once extraction of the resource commences. Management tests annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.7. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the year warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration the expected costs of extraction, long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside, a decision will be made to discontinue exploration.

In 2018, the Directors reviewed the estimated value of each project prepared by management and have concluded that the project in Georgia be impaired to £Nil. The Georgian exploration asset was impaired in full due to the ongoing exploration licence negotiations. On 28 January 2020 the Company announced that it had received confirmation of tenure from the National Agency of Mines (‘NAM’) for two key deposits in the Bolnisi Project licence area, namely Kvemo Bolnisi East and Dambludi. However, alongside this tenure confirmation, correspondence from NAM confirmed its intention to return the remainder of the Bolnisi Project licence area, including three further deposits identified by the Company, being Kvemo Bolnisi West, Tsitel Sopeli and Balichi, to the State. An appeal process is currently underway with the Minister of Economy and Sustainable Development in Georgia with the objective of GCG securing its rights to the remainder of the licence area. See Note 9 for further update in this regard.

Share based payment transactions

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 15.

Control of Georgian Copper and Gold

Judgement is required to determine whether the Group has control over its subsidiaries. Georgian Copper and Gold is 50% owned but management are of the opinion that they no longer have control of the entity. On 18 March 2018, the Company entered into a Deed of Variation with its joint venture partner in Georgian Copper & Gold (“GCG”) in relation to the ongoing operations of the operating company, future work programmes and budgets. As a result, both shareholders now have equal representation on the board of GCG and therefore, from that date, the subsidiary was derecognised and the ongoing 50% ownership accounted for as a joint venture in accordance with IFRS 11.

Carrying value of investment in and receivables from joint ventures

As above, during 2018, the Group lost control of GCG and accounted for the joint arrangement relationship as an investment in joint venture. On initial recognition on 18 March 2018, the carrying value of the investment in joint venture was £3,994,585. The equity accounting for the joint venture meant that the share of loss of the joint venture was in excess of the carrying value and as such the amount was written down to £nil (2018: £nil). No liability has been recognised for the loss in excess of the carrying value as the Group does not have an obligation to pay for these losses.

As at 31 December 2019 £109,188 (2018: £39,748) is due from GCG for services rendered in the year. Despite the ongoing license issues at the year end, this amount is considered fully recoverable. The joint venture partners are committed to additional funding to repay the liability or this would be converted to equity.

5. Segmental Information

As at 31 December 2019, the Group operates in three geographical areas, the UK, Austria and Georgia. The Parent Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in Austria relate to exploration and evaluation work. As from 18 March 2018, the Group no longer has control of Georgian Copper and Gold and as a result the below segmental information only includes information from this entity up until this date. The reports used by the chief operating decision maker are based on these geographical segments.

The Group generated revenue of £111,457 during the year ended 31 December 2019 (2018: £213,265).

2019	**Georgia £**	**Austria £**	**UK £**	**Total £**
Revenue	-	-	111,457	111,457
Administrative expenses	-	(9,027)	(709,482)	(718,509)
Other gains/(losses)	-	-	(68,540)	(68,540)
Loss from operations per reportable segment	-	(9,027)	(666,595)	(675,592)
Additions to non-current assets	-	-	-	-
Reportable segment assets	-	4,731	231,962	236,693
Reportable segment liabilities	-	3,808	87,383	91,191

Segment assets and liabilities are allocated based on geographical location.

2018	**Georgia £**	**Austria £**	**UK £**	**Total £**
Revenue	-	-	213,265	213,265
Administrative expenses	(36,518)	(880)	(1,383,331)	(1,420,729)
Other gains/(losses)	800,241	-	66,397	866,638
Impairment of intangible assets	(3,706,915)	-	(478,113)	(4,185,028)
Loss on deconsolidation of subsidiary	(265,094)	-	-	(265,094)
Share of loss from Georgian Copper and Gold	(3,994,585)	-	-	(3,994,585)
Loss from operations per reportable segment	(7,202,871)	(880)	(1,581,782)	(8,785,533)
Additions to non-current assets	-	-	2,815	2,815
Reportable segment assets	-	8,627	691,874	700,501
Reportable segment liabilities	-	5,246	237,455	242,701

A reconciliation of adjusted loss from operations per reportable segment to loss before tax is provided as follows:

	2019 £	2018 £
Loss from operation per reportable segment	**(675,592)**	(4,790,948)
- Finance income	**-**	(3,994,585)
Loss for the year before taxation	**(675,592)**	(8,785,533)

6. Revenue

	2019 £	2018 £
Operational services	**111,457**	207,575
Geological consulting services	-	5,690
	111,457	213,265

Operational services are recharged by European Mining Services which include salaries, sample preparation and assay costs and consulting fees. All operational services were invoiced to Georgian Copper and Gold JSC and are denominated in GBP and considered fully recoverable at year end.

7. Expenses by Nature

	2019 £	2018 £
Directors' fees	**63,030**	100,323
Employee salaries	**-**	48,273
Fees payable to the Company's auditors for the audit of the Parent Company and group financial statements	**30,000**	40,000
Professional, legal and consulting fees	**134,982**	294,841
Accounting related services	**14,537**	11,147
Insurance	**37,327**	35,057
Office and administrative expenses	**82,969**	85,822
Depreciation	**16,160**	23,092
Travel and subsistence	**41,302**	80,019
AIM related costs including investor relations	**101,843**	191,167
Share option expense	**8,292**	12,446
Operations related costs	**178,018**	400,760
Other expenses	**10,049**	97,782
Total administrative expenses	**718,509**	1,420,729

All employee costs incurred in the year and are included in 'Operations related costs'.

8. Property, Plant and Equipment

	Motor Vehicles £	Field equipment £	Computer equipment £	Total £
Cost				
As at 1 January 2018	58,670	113,714	51,898	224,282
Additions	-	-	2,815	2,815
Disposals	-	-	(5,312)	(5,312)
Disposals on deconsolidation	(60,082)	(48,604)	(24,430)	(133,116)
Exchange differences	1,412	1,143	574	3,129
As at 31 December 2018	**-**	**66,253**	**25,545**	**91,798**
As at 31 December 2019	**-**	**66,253**	**25,545**	**91,798**
Depreciation				
As at 1 January 2018	13,574	28,945	19,228	61,747
Charge for the year	1,652	14,748	6,692	23,092
Disposals	-	-	-	-
Disposals on deconsolidation	(15,553)	(6,271)	(5,810)	(27,634)
Exchange differences	327	112	112	551
As at 31 December 2018	**-**	**37,534**	**20,222**	**57,756**
Charge for the year	-	13,250	2,910	16,160
As at 31 December 2019	**-**	**50,784**	**23,132**	**73,916**
Net book value as at 31 December 2018	**-**	**28,719**	**5,323**	**34,042**
Net book value as at 31 December 2019	**-**	**15,469**	**2,413**	**17,882**

9. Intangible Assets

Exploration & Evaluation Assets at Cost and Net Book Value	**2019 £**	2018 £
Balance as at 1 January	**-**	10,472,718
Additions	**-**	287,245
Disposal on deconsolidation	**-**	(7,857,313)
Impairment	**-**	(3,125,702)
Foreign currency differences	**-**	223,052
As at 31 December	**-**	-

As part of the acquisition of GMC Investments Limited, the Group entered into a Shareholder Agreement with Caucasian Mining Group Limited ("CMG"), the partner in JSC Georgian Copper and Gold. The details of the agreement were such that CMG would transfer the exploration and mining licenses for the Georgian sites into Georgian Copper and Gold, which were considered to have a fair value of US$6m, while the Group would commit to paying the expenditure requirements on the operations over a two year period from the date of the licence transfer date of December 2015, which is also US$6m. As a result, the Group recognised the fair value of the licenses of US$6m, which translated to £4.2m, as an exploration and evaluation asset.

Exploration projects Georgia are at an early stage of development as at 31 December 2019, although a JORC (Joint Ore Reserves Committee) compliant resource estimate is available at Kvemo Bolnisi East, much of the licence area is still subject to further early stage exploration. The Directors therefore undertook an assessment of the following areas and circumstances which could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal.
- No further exploration or evaluation is planned or budgeted for.
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves.

- Sufficient data exists to indicate that the book value m not be fully recovered from future development and production.

The application for the extension to the current exploration permit within the 30 year Mining Licence held by Georgian Copper and Gold JSC, was submitted in June 2018 and the renewal was still pending as at 31 December 2019. The Group, along with its JV partner Caucasian Mining Group, have continued to try to resolve the delay in being granted the exploration permit extension within our 30-year mining concession in Georgia. As a result, as at 31 December 2018, the Directors concluded that the Georgian exploration assets no longer fully meet the capitalisation criteria under IFRS 6 and an impairment provision was recognised against these assets.

As at 31 December 2019, given the Group was still awaiting an outcome on the exploration extension, the Directors determined it was reasonable to impair the asset in full until further notice. Loans totalling £97,907 were forwarded to GMC Investments during the year. These were written off as an impairment as at 31 December 2019.

On 28 January 2020 the Company announced that it had received confirmation of tenure from the National Agency of Mines ('NAM') for two key deposits in the Bolnisi Project licence area, namely Kvemo Bolnisi East and Dambludi. However, alongside this tenure confirmation, correspondence from NAM confirmed its intention to return the remainder of the Bolnisi Project licence area, including three further deposits identified by the Company, being Kvemo Bolnisi West, Tsitel Sopeli and Balichi, to the State. An appeal process is currently underway with the Minister of Economy and Sustainable Development in Georgia with the objective of GCG securing its rights to the remainder of the licence area. As the confirmation of tenure over Kvemo Bolnisi East and Dambludi was received post period end and as such, the impairment has not been adjusted as at year end however, it is expected that a partial write back will be reflected in the Group's interim accounts for the half year ended 30 June 2020.

10. Trade and Other Receivables

	2019	2018
	£	£
Trade receivables	**109,188**	39,748
VAT receivable	**25,465**	9,610
Prepayments	**21,314**	36,569
Other receivables	**12,004**	55,178
	167,971	141,105

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above. These assets, excluding prepayments, are the only form of financial asset within the Group, together with cash and cash equivalents.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2019	2018
	£	£
UK Pounds	**167,756**	138,811
Euros	**215**	2,294
Georgian Lari	**-**	-
	167,971	141,105

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. All trade and other receivables are considered fully recoverable and performing.

11. Cash and Cash Equivalents

	2019	2018
	£	£
Cash at bank and in hand	**50,840**	525,354

All of the Group's cash at bank is held with institutions with an AA credit rating.

12. Trade and Other Payables

	2019	2018
	£	£
Trade payables	**55,889**	110,205
Other payables	**2,277**	2,682
Accrued expenses	**33,025**	129,814
	91,191	242,701

13. Share Capital and Share Premium

On 15 December 2010 the shareholders approved the removal of the Company's authorised share capital and so there is no limit on the number of shares the Company is authorised to issue. On that date the shareholders also approved the removal of the nominal value of the shares, as permitted under local company legislation. As such all amounts raised are considered to be share premium.

Issued share capital

Group	Number of shares	Share premium	Total
		£	£
At 1 January 2018	**114,574,491**	**38,880,612**	**38,880,612**
Exercise of warrants – 26 January 2018	182,500	23,725	23,725
At 31 December 2018	**114,756,991**	**38,904,337**	**38,904,337**
Issue of Ordinary Shares – 23 May 2019 [1]	19,000,000	361,300	361,300
At 31 December 2019	**133,756,991**	**39,265,637**	**39,265,637**

(1) Net of issue costs of £18,700

On 23 May 2019 the Company issued and allotted 19,000,000 new Ordinary Shares at a price of 2 pence per share for gross proceeds of £380,000.

14. Other reserves

	2019	2018
	£	£
Foreign currency translation reserve	**(231,682)**	(225,384)
Share option Reserve	**369,696**	361,404
	138,014	136,020

Foreign currency translation reserve – the foreign currency translation reserve represents the effect of changes in exchange rates arising from translating the financial statements of subsidiary undertakings into the Company's presentation currency.

Share option reserve – the share option reserve represents the fair value of share options and warrants in issue. The amounts included are recycled to share premium on exercise or recycled to retained earnings on expiry. Note 15 outlines the share based payments made in the year.

15. Share Based Payments

Warrants and options outstanding at 31 December 2019 have the following expiry dates and exercise prices:

			Shares	
Grant date	Expiry date	Exercise price in £ per share	**2019**	**2018**
20 July 2016	20 July 2021	0.1400	**5,000,000**	5,000,000
30 January 2017	3 March 2022	0.1200	**1,900,000**	1,900,000
22 June 2017	21 July 2022	0.1825	**3,300,000**	3,300,000
30 July 2018	26 July 2023	0.1400	**1,000,000**	1,000,000
30 July 2018	26 July 2023	0.2000	**1,000,000**	1,000,000
1 July 2019	30 June 2024	0.0130	**3,376,553**	-
			15,576,553	12,200,000

	2017 Warrants	2017 Warrants	2016 Warrants
Granted on:	30/01/2017	22/06/2017	20/07/2016
Life (years)	5.2 years	5 years	5 years
Share price on grant date	8.8p	17.7p	16p
Risk free rate	0.57%	0.57%	0.5%
Expected volatility	27.06%	34.43%	23.29%
Expected dividend yield	-	-	-
Exercise price	12p	18.25p	14p
Marketability discount	20%	20%	20%
Total fair value (£)	20,225	140,043	188,690

	2018 Warrants	2018 Warrants	2019 Warrants
Granted on:	30/07/2018	30/07/2018	1/7/2019
Life (years)	5 years	5 years	5 years
Share price on grant date	9.35p	9.35p	1.05p
Risk free rate	0.75%	0.75%	0.42%
Expected volatility	27.06%	27.06%	40.97%
Expected dividend yield	-	-	-
Exercise price	20p	14p	1.3p
Marketability discount	20%	20%	20%
Total fair value (£)	3,575	8,871	8,292

The risk free rate of return is based on zero yield government bonds for a term consistent with the warrant and option life.

The movement of options and warrants for the year to 31 December 2019 is shown below:

	2019		2018	
	Number	**Weighted average exercise price (£)**	Number	Weighted average exercise price (£)
As at 1 January	**12,200,000**	**0.15**	10,608,366	0.15
Granted	**3,376,553**	**0.013**	2,000,000	0.17
Exercised	**-**	**-**	(182,500)	0.13
Expired	**-**	**-**	(225,866)	0.18
Outstanding as at 31 December	**15,576,553**	**0.12**	12,200,000	0.15
Exercisable at 31 December	**15,576,533**	**0.12**	12,200,000	0.15

	2019				2018			
Range of exercise prices (£)	**Weighted average exercise price (£)**	**Number of shares**	**Weighted average remaining life expected (years)**	**Weighted average remaining life contracted (years)**	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)
0.013-0.2	**0.12**	**15,576,533**	**2.7384**	**2.7384**	0.15	12,200,000	3.252	3.252

The total fair value charged to the statement of comprehensive income for the year ended 31 December 2019 and included in administrative expenses was £8,292 (2018: £12,446).

16. Other (losses)/gains - Net

	Group	
	2019	2018
	£	£
Net foreign exchange gains / (losses)	**(14,849)**	468,850
Deconsolidation of Georgian Copper and Gold	**-**	397,228
Written off directors fees (note 18)	**47,313**	-
Other gains/losses	**(3,097)**	560
	29,367	866,638

17. Employees

	Group	
	2019	2018
Staff costs (excluding Directors)	**£**	£
Salaries and wages	**77,489**	181,251
Social security costs	**6,769**	12,367
Pensions	**795**	1,154
	85,053	194,772

The average monthly number of employees during the year was 3 (2018: 4). All employee costs were incurred in European Mining Services. Employee costs incurred in European Mining Services are included in Operation Related Costs in Note 7.

18. Directors' Remuneration

	For the year ended 31 December 2019			
	Short term benefits £	**Post-Employment benefits £**	**Share based payment £**	**Total £**
Executive Directors				
Gregory Kuenzel	-	-	-	-
Michael Struthers	63,030	-	-	63,030
Non-executive Directors	-	-	-	-
Neil O'Brien	-	-	-	-
Peter Damouni	-	-	-	-
Laurence Mutch	-	-	-	-
	63,030	-	-	63,030

	For the year ended 31 December 2018			
	Short term benefits £	**Post-Employment benefits £**	**Share based payment £**	**Total £**
Executive Directors				
Gregory Kuenzel	30,618	350	-	**30,968**
Martyn Churchouse	3,730	14	-	**3,744**
Michael Struthers	66,935	-	12,447	**79,382**
Non-executive Directors				
Neil O'Brien	33,500	-	-	**33,500**
Peter Damouni	8,333	82	-	**8,415**
Laurence Mutch	10,000	-	-	**10,000**
	153,116	446	12,447	**166,009**

Of the above director fees, £nil (2018: £53,000) has been capitalised in accordance with IAS 38 as exploration and evaluation related costs and are shown as an intangible addition in the year.

For the year ended 31 December 2018, £47,313 in directors fees were accrued. During the current year the Board agreed these accrued fees were to be written off in full and not payable by the Company. The reversal of this accrual has been included in other gains and losses as per Note 16.

19. Taxation

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

	Group	
	2019	2018
	£	£
Loss before tax	**(675,592)**	(8,785,533)
Tax at the weighted average rate of 19.08% (2018: 9.05%)	**(128,905)**	(795,091)
Expenditure not deductible for tax purposes	**19,636**	410,573
Net tax effect of losses carried forward on which no deferred tax asset is recognised	**109,269**	384,518
Income tax for the year	**-**	-

No charge to taxation arises due to the losses incurred.

The weighted average applicable tax rate of 19.08% (2018: 9.05%) used is a combination of the 19% standard rate of corporation tax in the UK, 25% Austrian corporation tax and 0% BVI corporation tax.

The Group has accumulated tax losses of approximately £5,940,000 (2018: £3,789,000) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilised.

20. Earnings per Share

The calculation of the total basic loss per share of 0.535 pence (2018: loss 7.647 pence) is based on the loss attributable to equity owners of the group of £675,592 (2018: £8,774,021) and on the weighted average number of ordinary shares of 126,365,211 (2018: 114,744,492) in issue during the period.

In accordance with IAS 33, basic and diluted earnings per share are identical as the effect of the exercise of share options or warrants would be to decrease the loss per share.

21. Commitments

(a) Work programme commitment

As a result of the continued delay in the renewal of the exploration permit, no work programme has been agreed by the Joint Venture partners as at 31 December 2019. The Company is committed to funding 50% of the ongoing administrative expenditure of Georgia Copper and Gold which currently totals approximately $7,000 per month.

(b) Royalty agreements

As part of the contractual arrangement with Kibe No.1 Investments Limited the Group has agreed to pay a royalty on revenue from gold sales arising from gold mines developed by Noricum Gold AT GmbH and covered by licenses acquired by Kibe No.1 Investments Limited. Under the terms of the Royalty Agreement between Kibe No.1 Investments Limited and Noricum Gold AT GmbH, the Group shall pay royalties, based on total ounces of gold sold, equal to US$1 for every US$250 of the sale price per ounce.

22. Investment in Joint Venture

On 15 March 2018, the Company entered into a Deed of Variation with its joint venture partner in Georgian Copper & Gold in relation to the ongoing operations of the operating company, future work programmes and budgets. As a result, both shareholders now have equal representation on the board of GCG and therefore, from that date, the subsidiary was derecognised and the ongoing 50% ownership accounted for as a joint venture.

The carrying value of the investment in the joint venture is determined as follows:

	As at 31 December 2019 $	As at 31 December 2018 $
Opening balance	-	-
Recognised on deconsolidation of subsidiary	-	3,994,585
Share of loss in joint venture	-	(3,994,585)
	-	-

The joint venture listed below has share capital consisting solely of ordinary shares, which are held by the Group and their joint venture partner Caucasian Mining Group.

Name of entity	Address of the registered office SI 2017/980	% of ownership interest	Nature of relationship	Measurement method
Georgian Copper & Gold JSC	6 Saakadze Descent, 2nd Fl. Tbilisi 0171, Georgia	50	As above	Equity

Summarised financial information of joint venture

	31 December 2019	31 December 2018 £
Property, plant and equipment	53,933	89,371
Cash	2,591	18,589
Intangibles	4,364	4,030
Other receivables	53,376	81,537
Total assets	**114,264**	**193,527**
Trade and other payables	210,830	82,773
Loan with GMC Investments Limited	955,222	975,679
Total liabilities	**1,166,052**	**1,058,452**

The joint venture did not generate any revenue in the year. Total costs of £305,122 (2018: £7,989,170) were incurred during the year. Total losses incurred by the joint venture entity and attributable to the Company but not recognised in the Company profit and loss are £152,556 (2018: £3,994,585).

23. Related Party Transactions

Services provided by European Mining Services Limited to JSC Georgian Copper & Gold
During the year European Mining Services Limited provided geological, technical and other professional services with a total value of £111,457 (2018: £255,428) to JSC Georgian Copper and Gold, the joint venture entity.

Loan from Empire Metals Ltd to Kibe No.2 Investments Limited

As at 31 December 2019 there were amounts receivable of £6,016 (2018: £4,706) from Kibe No.2 Investments Limited. No interest was charged on the loans.

Loan from Empire Metals Ltd to European Mining Services Limited
As at 31 December 2019 there were amounts receivable of £694,186 (2018: £525,028) from European Mining Services Limited.

All intra-group transactions are eliminated on consolidation.

Other Transactions

Heytesbury Corporate LLP, an entity in which Gregory Kuenzel is a partner, was paid a fee of £32,500 (2018: £62,440) for accounting services to the Group. At the year-end there was an outstanding balance of £6,155 (2018: £6,449).

Michael Struthers received £63,030 (2018: £66,935) through his service company, MS Mining Consulting LDA, as disclosed in Note 18.

24. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

25. Events after the Reporting Date

On 28 January 2020 the Company announced that it had received confirmation of tenure from the National Agency of Mines ('NAM') for two key deposits in the Bolnisi Project licence area, namely Kvemo Bolnisi East and Dambludi. However, alongside this tenure confirmation, correspondence from NAM confirmed its intention to return the remainder of the Bolnisi Project licence area, including three further deposits identified by the Company, being Kvemo Bolnisi West, Tsitel Sopeli and Balichi, to the State. An appeal process is currently underway with the Minister of Economy and Sustainable Development in Georgia with the objective of GCG securing its rights to the remainder of the licence area.

On 28 February 2020, the Company issued and allotted 60,000,000 new Ordinary Shares at a price of 1 pence per share raising a total of £600,000.

On 27 April 2020, the Company entered a binding heads of terms agreement with ASX-listed Artemis Resources Ltd to acquire a 41% interest in the Munni Munni palladium project in Pilbara, Australia. Should the acquisition be completed, the Company will pay consideration of £950,000 through the issue of 95 million shares at a price of 1p per share.

The outbreak of the coronavirus pandemic is considered to be a non-adjusting event. As outlined in Note 2.4, the Group is continuing to report on a going concern basis, and whilst this may cause difficulty in raising further funding, has not had a material impact on the Group. The unknown length of the outbreak is a source of uncertainty and the Board will continue to monitor events and to provide updates as the situation develops.