Company Registration No. 10829496 (England and Wales)

ERRIS RESOURCES PLC

(Formerly known as ERRIS RESOURCES (EXPLORATION) PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

ERRIS RESOURCES PLC

COMPANY INFORMATION

Directors	Mr J Martin	(Appointed 21 June 2017)
	Mr O C Rifaat	(Appointed 13 December 2017)
	Mr M A Marr-Johnson	(Appointed 13 December 2017)
	Mr G Brown	(Appointed 13 December 2017)
	Mr A J Partington	(Appointed 13 December 2017)
	Mr J D Taylor-Firth	(Appointed 13 December 2017)
	Mr D Hall	(Appointed 21 June 2017, resigned 13 December 2017)

Secretary Mr O C Rifaat

Company number 10829496

Registered office
29-31 Castle Street
High Wycombe
Bucks
HP13 6RU
United Kingdom

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

Business address
The Clubhouse
8 St James's Square
London
SW1Y 4JU
United Kingdom

UK Brokers
Shard Capital Partners Ltd
20 Fenchurch Street
London
EC3M 3BY
United Kingdom

Turner Pope Investments (TPI) Ltd
36 Old Jewry
London
EC2R 8DD
United Kingdom

COMPANY INFORMATION

Solicitors	DWF LLP Bridgewater Place Water Lane Leeds LS11 5DY United Kingdom
Solicitors (Sweden)	Mannheimer Swartling Advokatbyrå Carlsgatan 3 Box 4291 203 14 Malmö Sweden
Solicitors (Ireland)	DWF Dublin 5 George's Dock IFSC Dublin 1 Ireland
Nominated Advisor	Allenby Capital Ltd 5th Floor 5 St Helen's Place London EC3A 6AB United Kingdom
Registrar	Share Registrars Ltd The Courtyard 17 West Street Farnham Surrey GU9 7DR United Kingdom
Competent Person	Addison Mining Services Ltd 64 Addison Road Wanstead London E11 2RG United Kingdom
Public Relations	St Brides Partners LLP 2 St Michael's Alley London EC3V 9DS United Kingdom

ERRIS RESOURCES PLC

CONTENTS

CHAIRMANS' STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017

Chairman's Statement

I am pleased to report on the inaugural results since Erris Resources was admitted to AIM on 21 December 2017. Having raised £4 million, before expenses, through a Placing of 16,000,000 new ordinary shares, we are now focused on advancing our prospective portfolio of 100% owned zinc assets in Ireland and gold projects in Sweden, as well as generating and acquiring additional exploration opportunities that the Board believe have the potential to add value to the business. This has been demonstrated post period end by the identification and application for additional licences for prospective licences in Galway, Ireland with zinc potential.

We are fortunate to have the support of two Canadian mining Companies, Osisko Gold Royalties and Centerra Gold, which have recognised our potential to make commercial discoveries, thereby endorsing both our business model and team. Osisko Gold Royalties is a cornerstone shareholder, holding 18.9% of issued share capital. Furthermore, we have a strategic alliance agreement with Centerra Gold, which sees it funding a portfolio of gold and base metal properties within a common area of interest in northern Sweden. This currently covers three gold projects, providing Erris Resources with exposure to significant upside in the event of discovery with no corporate dilution. The most recent of these projects, Brännberg, was elected by Centerra Gold in January 2018, bringing the planned expenditure by Centerra Gold in 2018 to a total US$1,850,000.

Drilling and other work including ground magnetic, electromagnetic and induced polarisation surveys, surface sampling and mapping, is underway across the portfolio. In Ireland, at the 100% owned Abbeytown zinc project in County Sligo, we are also rapidly advancing work on the ground. Having completed in-fill soil geochemistry surveys, in late February 2018 we commenced the Phase One 5,000m drill programme at the first of four high priority target areas. The Abbeytown zinc project covers an historic lead-zinc-silver mine situated within an active limestone quarry, where ore was extracted on an industrial-scale between 1951 and 1961, initially as an open pit, and then as an underground mine. We are very excited about this project and look forward to providing updates on our progress.

In Sweden, we received results of drill programmes undertaken in the second half of 2017 at the Klippen and Käringberget gold projects. These were encouraging as they highlighted broad zones of mineralisation and, together with new geophysical data collected early in 2018, generated a new set of targets to be drill tested. Subsequently, we signed a contract with Northdrill Oy for 2,750m of drilling at the Klippen gold project, comprising 15-18 holes covering approximately 4.0km of strike length, extending the previous drilling to the northwest by 2.1km and to the northeast by 350m. This is expected to be completed in the second quarter of 2018 after which we will move onto the Käringberget and Brännberg projects.

The Board firmly believes that exploration is the lifeblood of the resource sector. However, discovery rates have dropped in recent years due to reduced spending on exploration; we hope to reverse this trend. As a discovery driven exploration company with a focus on base and precious metals, we aim to delineate resources that can be part of the next generation of mines. With this in mind, we continue to seek value accretive opportunities in favourable mining jurisdictions. Post period end, we applied for eighteen new contiguous prospecting licences in an area east of Galway, Ireland, covering 673km2 and located in an unexplored setting analogue to and approximately 40km west of the Tynagh deposit, and are also evaluating other prospects.

As we come to the end of the first quarter and look ahead to the rest of 2018, Erris Resources is in a strong position. We have three active exploration programmes underway and are reviewing several new opportunities. As a result, we expect to generate a steady news flow during the remainder of the year.

Finally, I would like to thank our shareholders for their continued support and our dedicated team and partners for their commitment to the development of Erris Resources.

Jeremy Martin
Non-Executive chairman

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present the strategic report for period ended 31 December 2017.

1 Highlights – 15 months to 31 December 2017

Erris Resources Plc ("Erris") was incorporated on 21 June 2017. On 1 December 2017, Erris Resources Plc acquired the entire issued share capital of Erris Resources (Exploration) Ltd by way of a share for share exchange. This transaction has been treated as a group reconstruction and has been accounted for using the reverse merger accounting method. Accordingly, the financial information for the current 15 month period and comparative 12 months have been presented as if Erris Resources (Exploration) Ltd had been owned by Erris Resources Plc throughout the current and prior periods.

On 21 December 2017, Erris successfully completed its admission to trading on the AIM market of the London Stock Exchange, raising £4m from new shareholders, including as a cornerstone 18.9% investor one of Canada's largest mining companies, Osisko Gold Royalties Ltd ("Osisko"). As part of the admission process, five new Directors with extensive experience in the mining sector joined the Board to assist in driving the Company forward in the coming years.

During 2017, Centerra Gold Inc ("Centerra") spent US$400,000 on each of the Klippen and Karingberget Designated Project Areas ("DPAs") under the terms of its strategic alliance agreement with Erris. Centerra further committed to spend the remaining US$600,000 on each project in 2018. Centerra also provided a further US$250,000 in generative funding to identify future DPA opportunities.

In October 2016, Erris acquired the Grundträsk Number 6 and Grundträsk Number 7 permits from Beowulf Mining plc. During 2017, Erris applied for and was granted five permits in the surrounding areas, naming them Brannberg Nos1-5. In January 2018, Centerra formally activated its DPA interest and committed to spend US$400,000 on Brannberg in 2018.

During 2017, Erris drilled three holes on the Abbeytown zinc project which yielded encouraging results and confirmed the previous mineralisation while allowing Erris to continue to develop a new exploration model. In addition, all six prospecting licences were renewed on 22 November 2017 for a further two-year period after the minimum collective expenditure threshold of €90,000 was met for the licences.

2 Erris Resources – Strategic Review

2.1 Company Overview

Erris is a mineral exploration and development company with six prospecting licences in Ireland and 18 exploration permits in Sweden. In Ireland the licences total 159km2, including the historic Abbeytown deposit, and are focussed principally on economic zinc mineralisation, with ancillary lead, silver and copper potential. In Sweden, the 18 licences are grouped into seven project areas totalling 313km2, primarily focussed on gold.

Erris has been validated by major industry partners both at a project level and at the corporate level. Osisko Gold Royalties Ltd (market capitalisation of approximately C$2.0 billion) has a 1 per cent. royalty on the Abbeytown Project and Erris's Swedish licences and became a 18.91 per cent shareholder at the IPO. At the project level, Centerra Gold Inc. (market capitalisation of approximately C$2.1 billion) has a JV agreement with Erris where project expenditure of US$1,000,000 by Centerra on each project over two years will earn it a 51 per cent. interest in each project, with Erris retaining a 49 per cent. interest without having to invest any additional funds. In 2017, Centerra optioned two licences and spent US $400,000 on each of these two DPAs plus a further US$250,000 on generative exploration. In 2018, it has already optioned a third DPA at Brannberg and has committed to spending a total of US$1,850,000 during the year.

2.2 Company Strategy

Erris's business model can best be defined as seeking to create significant shareholder value through the process of discovering new ore deposits. Well-managed exploration success finding commercially viable deposits can create capital value even in a period of weak metal prices. The Directors believe that Erris's business model maximises the chance of making commercial discoveries in an efficient manner, as follows:

Technically-led team The Directors and senior management team have significant exploration experience, with a track record of deposit discovery from first principal through to resource definition, advanced studies and mine development. In addition, the team has experience of sourcing the funding required for mining projects via its capital markets expertise and joint venture pedigree.

European jurisdictions The Erris Resources portfolio comprises mineral licences in areas with proven metallogenic potential, an active mining industry, low political risk, and transparent permitting processes. Erris Resources has a zinc project in Ireland and gold projects in Sweden. New targets in Europe are currently being assessed.

Prospective Property Portfolio The current portfolio includes the Abbeytown Project, a 15 km trend of discrete lead-zinc-silver prospects, barely explored since the 1980s, wholly reinterpreted after several years of fieldwork, systematic data integration and fresh geological thinking. In Sweden, Erris Resources has a portfolio of gold and polymetallic projects in northern Sweden. The Group are actively looking for new opportunities to expand its portfolio and in February announced that it had applied for eighteen new prospecting licences in an area east of Galway, County Galway, Ireland.

Dynamic Work Programme Erris has over 10,000 metres of diamond drilling planned for 2018. At the Abbeytown Project in Ireland, a 5,000 metre exploration programme has begun. In Sweden, Phase Two diamond drilling is ongoing at Klippen (gold). A summer drilling campaign will cover Phase Two at Käringberget (zinc-copper-gold), and Phase One drilling at Brännberg. Existing and new targets will continue to be worked up via geochemical, geophysical and geological programmes running throughout the year.

2.3 Business Plan

The Board will continue to run the Group with a low-cost base in order to maximise the amount that is spent on exploration and development as this is where value is best added. To this extent, the corporate office is run on a streamlined basis by a core team, and specialists are employed in Ireland and Sweden.

The Group has historically financed its activities through capital raisings as a private company, the sale of royalties and through its joint venture agreements with established industry players. The new public listing has enabled the Group to target a wider pool of investors. The Group will continue to look for new licence areas, new assets and plans to fund these through its historic mix of equity placings and strategic alliances.

2.4 Principal Risks and Uncertainties

Set out below are the principal risks and uncertainties facing the Group any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. For a full list please refer to the Admission Document published in December 2017.

- **Mining, Exploration and Development Risks.**

There is no certainty that the expenditures to be made in the exploration and development of the Group's properties in which it has an interest will result in profitable commercial operations. Most exploration projects do not result in the discovery of commercially mineable deposits. The successful exploration and development of mineral properties is speculative and subject to a number of uncertainties and hazards, which even a combination of careful evaluation, experience and knowledge may not eliminate.

- **Risks associated with the Centerra JV Agreement**

There is a risk that Centerra elects not to further fund exploration of the DPAs. While the Group will retain 100 per cent. ownership of any DPA that Centerra elects not to fund, it may not have the necessary funds available or be able to generate the necessary funds to further develop the licence areas.

- **Risks associated with the expiration of Prospecting Licences in Ireland and other associated approvals**

The prospecting licences held were granted to Erris Resources over the course of 2013, for a period of six years. Each prospecting licence carries with it certain conditions that must be fulfilled over the term of the licence in order to allow them to continue in force and/or be renewed upon expiry. The licensor may revoke the licences at any time if there are reasonable grounds for doing so, or if the licensee fails to comply with its various obligations under the terms of the licence agreement.

- **Risks associated with the expiration of or failure to obtain Exploration Permits in Sweden and other associated approvals**

An exploration permit under the Swedish Minerals Act is valid for three years from the decision date when it is initially granted. Upon application from the permit holder, the Exploration Permit may be extended up to a maximum validity period of fifteen years. The decision to extend is at the discretion of the Swedish Mining Inspectorate. There can be no guarantee that the Group's Exploration Permits will be extended.

- **Ongoing Capital requirements**

If the Group is unable to raise capital when needed or on suitable terms, the Group could be forced to delay, reduce or eliminate its exploration and development efforts. Furthermore, any additional equity fundraising in the capital markets may be limited due to disruption or uncertainty in the markets or may be dilutive for shareholders. Any debt-based funding, should it be obtainable, may bind the Group to restrictive covenants and curb its operating activities and ability to pay potential future dividends even when profitable.

- **Personnel retention and recruitment**

The Group's ability to compete in the competitive resource sector depends upon its ability to retain and attract highly qualified management, geological, technical and industry experienced personnel. Such personnel are expected to play an important role in the development and growth of the Group, in particular by maintaining good business relationships with regulatory and governmental departments and essential partners, contractors and suppliers.

- **Environmental laws and regulations**

The Group's operations are subject to various state and foreign environmental laws concerning, among other things, water discharges, air emissions, waste management, toxic use reduction and environmental clean-up. Environmental laws and regulations continue to evolve, and it is likely the environmental laws and standards that regulate the operations will continue to be increasingly stringent in the future. Any violation of, litigation relating to or liabilities under these laws and regulations could have a material adverse effect on the Group

- **Potential Acquisitions**

As part of its business strategy, the Group may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions including risks associated with operating in foreign jurisdictions.

- **Market perception**

Market perception of exploration and extraction companies may change in a way which could impact adversely the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Ordinary Shares or otherwise.

- **Economic risk and world commodity price volatility**

Commodity prices are subject to fluctuations. These fluctuations could adversely affect the Group's operations and financial condition once it commences production.

3 Operational review & outlook

3.1 Ireland

The Abbeytown Project consists of six prospecting licences covering a total of 159 km² originally granted in 2013 for a period of six years (subject to periodic renewals), most recently having been renewed on 22 November 2017 for the remainder of the licence periods after the minimum collective expenditure threshold of €90,000 was met for the licences.

Erris has collated and synthesised the historic data and carried out additional exploration work including regional soil sampling, digitising, re-modelling, sampling, re-interpretation and drilling four diamond holes. Erris now believes that Abbeytown is a carbonate hosted replacement deposit, similar to Harberton Bridge or Kilbricken in the Irish Midlands. At Abbeytown, there appears to be strong geochemical zonation with a copper zone at the base, a lead-rich lower zone through to a zinc-lead middle zone and a pyrite-calcite upper zonation or cap. Erris believes the copper mineralisation probably occurs proximal to the source or structure feeding hydrothermal fluids whereas the zinc is precipitated at lower temperatures more distal to the feeder zone.

Erris has drilled four historic holes ER001-ER004, three of which yielded encouraging results and confirmed the previous mineralisation while allowing Erris to develop a new exploration model in the absence of previous core drilling. The Company has costed a total potential of 21,700m of diamond drilling over an eighteen-month period at the Abbeytown Project. Erris plans to drill 5,000m during the Phase 1 drilling programme.

The drilling allocations for the target areas are as follows and will be dependent on the results from the initial Phase 1 drill programme:

Project Area	*Total potential metres*	*Planned*	*Contingent*
Abbeytown	9,200m	2,000m	7,200m
Lugawarry/Streamstown	6,500m	1,500m	5,000m
Skreen	6,000m	1,500m	4,500m
TOTAL	**21,700m**	**5,000m**	**16,700m**

3.2 Sweden

Erris holds and operates a portfolio of Exploration Permits in Sweden that is funded through the Strategic Alliance with Centerra Gold. The three most strategically important projects are Klippen, Käringberget and Brännberg. Erris also holds other granted or pending permits on early stage targets which have little or no previous exploration work. These include Storklinten, Orrträsket, Skarvsjö, and Gunnarbäcken.

Centerra Gold made elections in respect of Klippen, Käringberget and Brännberg. On each project Centerra is expected to invest US$1,000,000 over two years to earn 51 per cent., of which US$400,000 is spent in Year One, and the remaining US$600,000 is invested in Year Two. Klippen and Käringberget entered into Year Two of the agreement in 2018, and Brännberg into Year One. Centerra Gold will also invest $250,000 in generative exploration in 2018, taking the total to US$1,850,000.

The Klippen project

Work by Erris identified an area of interest with 3.6 km of strike length on which Centerra agreed to fund a drill programme as part of their earn-in. While Klippen has been the subject of multiple exploration programmes in the past, the approach has not been systematic and the results of different programmes were not effectively tied together by past operators. The Directors believe Erris has compiled and reviewed a great deal of geochemical, geophysical and geological information over the project and have developed promising targets for further investigation.

The Phase 1 drill programme involved drilling of nine angled holes totalling 1,800m with fences of holes to test mineralisation under the previous shallow drilling and trenching which had economic gold intersections. No historic core survives so further drilling is required to update the geological and exploration model. The Phase 1 drill programme and ancillary work was completed in 2017 and cost US $400,000. Centerra has confirmed that it intends to fund an additional US$600,000 in expenditures on the project in 2018, which will include additional exploration drilling.

The Käringberget project

Käringberget is an early stage exploration project. Indications from regional dataset interpretation, geochemistry and alteration mapping and geological and mineralisation observations and similarities with deposits in the area clearly suggest the presence of a mineralising system and good potential for deposit development.

Erris is in the process of completing a work programme to test the zoned alteration and geochemical anomaly at Käringberget. In 2017 Centerra funded a drilling programme to test the zone of anomalous gold and silver rock chip geochemistry and extensive silica-pyrite alteration. As at Klippen, the work on data collation, geological interpretation, review, and planning is underway. The integrated results from the 2017 work programme have encouraged Centerra to confirm that it will fund an additional US$600,000 in expenditures on the project in 2018, which will include geophysical surveys and additional exploration drilling.

The Brännberg project

Erris Resources views Brännberg as a high priority target given that previous drilling had a high success rate. Twenty one shallow historic holes have been drilled at the property and mineralisation is open at depth and along strike. In January 2018 Centerra elected Brännberg as a DPA, and under the terms of the agreement it may invest US$1,000,000 in exploration funding over two years to earn a 51% interest.

It is clear that Brännberg has not had systematic exploration carried out on the project area in the past. Despite the incomplete work, the cumulative data and the current understanding of controlling features on gold mineralisation in the Skelleftea district makes Brännberg a prospective target.

4 Financial Review

Erris Resources Plc was incorporated on 21 June 2017. On 1 December 2017, Erris Resources Plc acquired the entire issued share capital of Erris Resources (Exploration) Ltd by way of a share for share exchange. This transaction has been treated as a group reconstruction and has been accounted for using the reverse merger accounting method. Accordingly, the financial information for the current period and comparatives have been presented as if Erris Resources (Exploration) Ltd had been owned by Erris Resources Plc throughout the current and prior periods.

Notwithstanding that the company is a UK Plc admitted to trading on AIM, the company presents its accounts in its functional currency of Euros, since the majority of exploration expenditure is denominated in this currency.

The Group is still at an exploration stage and not yet producing minerals, which would generate commercial income. Under the terms of the Centerra Strategic Alliance Agreement, the group earns a 10% Management Fee on all committed expenditures, which amounted to €0.11m in the period compared with €0.02m in 2016. However, the Group is not expected to report overall profits until it disposes of or is able to profitably commercialise its exploration and development projects.

During the period the Group made an operating loss of €0.55m compared with a profit of €0.49m for the year ended 30 September 2016. This is primarily due to the costs incurred in association with the IPO in the current period, whilst the prior period included the one-off sales of 1% net smelter royalties over its projects in Ireland and Sweden to Osisko that generated revenues of C$0.75m (€0.5m). Exceptional costs include €0.34m of costs related to the IPO, which were paid primarily to third party providers. It also includes a non-cash accounting charge of €0.07m related to the expensing of share options valued under the Black-Scholes method.

The Total Net assets of the Group increased to €5m at 31 December 2017 from €1.13m at 30 September 2016, due primarily to the funds raised at the IPO. Intangible assets increased to €1.04m from €0.72m due to ongoing exploration at the Group's Ireland and Sweden projects. Included within Current Liabilities are the net expenditures under the Strategic Alliance Agreement with Centerra Gold, which show total reimbursed costs for the year of €0.79m (2016: €0.26m) and a year-end creditor that arises due to timing of €0.07m (2016: €0.08m). Other current liabilities increased from €0.065m to €0.27m and relate primarily to IPO fees that were settled immediately after the period end.

The closing cash balance for the Group of €4m, which is significantly higher than €0.5m in the prior year, following the fund raise of £4m before expenses by way of issuing 16,000,000 new shares at a price of 25 pence per share in the December 2017 IPO on the AIM market.

On behalf of the board

Mr J Martin
Director
28 March 2018

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their annual report and audited financial statements for the period ended 31 December 2017.

Principal activities
The principal activity of the company and group continued to be that of the exploration of viable sites for the purpose of extracting natural resources. Details of future developments are included in the Strategic Report.

Results and dividends
The results for the period are set out on page 18.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr J Martin	(Appointed 21 June 2017)
Mr O C Rifaat	(Appointed 13 December 2017)
Mr M A Marr-Johnson	(Appointed 13 December 2017)
Mr G Brown	(Appointed 13 December 2017)
Mr A J Partington	(Appointed 13 December 2017)
Mr J D Taylor-Firth	(Appointed 13 December 2017)
Mr D Hall	(Appointed 21 June 2017 and resigned 13 December 2017)

Jeremy Martin. *Non-Executive Chairman*
Jeremy is a founding director of Erris Resources. Mr. Martin holds a degree in mining geology from the Camborne School of Mines, and a MSc. in mineral exploration from the University of Leicester. He has worked in South America, Central America and Europe, where he was responsible for grassroots regional metalliferous exploration programmes through to resources definition and mine development. Jeremy has been involved in the formation of a number of publicly listed mineral resource companies. He is currently Chief Executive of Horizonte Minerals and holds BSc (Hons), MSc, ACSM, MSEG.

Merlin Marr-Johnson. *Chief Executive Officer*
Merlin joined Erris Resources as CEO in April 2017. He is a graduate in geology from Manchester University and holds a Masters Degree in Mineral Deposit Evaluation from the Royal School of Mines, Imperial College. Merlin started his career as an exploration geologist on zinc and copper projects for Rio Tinto in southern Africa before completing his MSc and subsequently working as an equity and commodities analyst at HSBC between 1997 and 2003. In 2003 Merlin founded Palladex plc, and was CEO until mid-2007. At Palladex he raised US$9.8m on admission to AIM in 2004, worked in Central Asia, delineated and then divested gold assets in Kyrgyzstan and Tajikistan, identified the geological potential of the Tulu Kapi gold deposit in Ethiopia, and renamed the company Minerva Resources plc. Between 2008 and 2009 he was Exploration Director at Zamin Ferrous, running multiple programmes in South America, including a significant discovery in Uruguay. Merlin worked at Blakeney Management between 2010 and 2015, as Natural Resources Portfolio Manager – Middle East and Africa, covering exploration, development and producing assets in Oil & Gas and Mining. Since 2015 he has consulted for Tavistock Communications, Golden Star Resources and Ferrum Crescent Ltd among others. He holds BSc (Hons) in geology, MSc, DIC and FGS.

Cherif Rifaat. *Chief Financial Officer*
Cherif is a UK chartered accountant who has more than 20 years of venture capital, corporate finance, operational turnaround and investor relations experience since his qualification with KPMG. He has primarily worked with technology, mining and real estate companies, with an emphasis on those in a start-up, pre IPO or restructuring phase. He has been a corporate and financial adviser to the lithium mining company, Bacanora Minerals, since it listed on AIM in 2014. Cherif is a graduate from the University of St Andrews, Scotland. He holds MA (Hons) in modern history and has been a member of the ICAEW since 1998.

Graham Brown. *Non-Executive Director*

Graham holds a BSc. from the University of Strathclyde, Glasgow. He has been a Fellow of the Society of Economic Geologists ("SEG") since 1999, participated in the Colombia Senior Executives programme in 2004 and the Duke Business Leaders programme in 2007. He is a past councillor of the SEG and current British Geological Survey industry adviser and Natural History Museum honorary research fellow. In 2011 he was the co-recipient of the PDAC Thayer Lindsley Award and from 2013 attained both Chartered Geologist and European Geologist professional status. Mr. Brown joined Amax as an exploration geologist in 1980 and worked on a variety of exploration and mining operations in the Circum-Pacific region. For almost a decade Mr. Brown worked as a consultant involved with the exploration and evaluation of a number of major discoveries in both Asia and Europe. In 1994, he joined Minorco as Chief Geologist. Subsequently he became the Europe-Asia region's Vice President Exploration and following the Minorco-Anglo American plc merger in 1999, he served as Vice President Geology. In 2003 he was appointed Senior Vice President Exploration and managed geosciences, technical services, and R&D programs. In 2005 he was promoted to Head of Base Metals Exploration and in 2010 he took up the position of Group Head of Geosciences for the Anglo American Group.

Jeremy Taylor-Firth. *Non-Executive Director*

Jeremy has worked in investment management since 1996. He initially worked at Matheson Securities, which was acquired by Prudential-Bache Ltd and subsequently renamed Dryden Wealth Management. In June 2006, he joined Singer & Friedlander Investment Management as an Investment Director. This business was then acquired by Williams de Broe where he worked until October 2010. Jeremy is currently an Investment Manager with Hanson Asset Management, where he has worked for the last six years. He is also the non-executive chairman of Primorus Investments plc. Jeremy holds CISI Level 6 PCIAM.

Andrew Partington. *Non-Executive Director*

Andrew is a partner with Toronto based investment bank Paradigm Capital Inc. specialising in corporate advisory, M&A, and equity raising for mining and metals companies and was also a principal with Beacon Group Advisors between 2001 and 2003, which was the predecessor to Paradigm's mining team. In addition, Andrew has served as a mining equity analyst with Deutsche Bank's Global Mining and Metals team and Newcrest Capital covering the base metals and gold industries. Andrew holds a B.Sc. (Hons) Engineering Geology from the University of Portsmouth and an MBA from York University's Schulich School of Business as well as MIMMM and FGS.

Key Management and Technical Adviser
Aiden Lavelle *Chief Operating Officer*

Aiden is an experienced exploration manager who played a key role in the discovery of the Pandora prospect in Djibouti. His international work also includes target generation, project management and resource definition. He holds BSc (Hons), MSc, MIGI, P.Geo and is based in Ireland.

David Hall *Technical Adviser*

David was a founding director of Erris Resources. He is a graduate in geology from Trinity College Dublin and holds a Masters Degree in Mineral Exploration from Queens University, Kingston, Ontario. He has 29 years of experience in the exploration sector and has worked on and assessed exploration projects and mines in over 50 countries. From 1992, David was Chief Geologist for Minorco SA, responsible for Central and Eastern Europe, Central Asia and the Middle East. He moved to South America in 1997 as a consultant geologist for Minorco South America and subsequently became exploration manager for AngloGold South America in 1999, where he was responsible for exploration around the Cerro Vanguardia gold mine in Argentina, around the Morro Velho and Crixas mines in Brazil and establishing the exploration programme that resulted in the discovery of the La Rescantada gold deposit in Peru as well as certain joint ventures in Ecuador and Colombia. David is also founder and former Executive Director of Stratex International Plc, an AIM traded company with exploration assets in Turkey and in which Teck Resources Limited is an equity shareholder. He is a fellow of the Society of Economic Geologists and EuroGeol. He is currently CEO of Thani-Stratex Resources and non-executive chairman of Horizonte Minerals. He holds BA (Hons), MSc, FSEG, MIGI, P. Geo.

Directors' interests

The directors' interests in the shares of the company were as stated below:

As at 31 December 2017	**No of shares**	**% of issued share capital**	**Share Options**
Jeremy Martin	27,000	0.09%	250,000
Merlin Marr-Johnson	-	-	800,000
Cherif Rifaat	120,000	0.39%	800,000
Graham Brown	-	-	100,000
Andrew Partington	-	-	100,000
Jeremy Taylor-Firth	40,000	0.13%	100,000

As at 30 September 2016	**No of shares**	**% of issued share capital**	**Share Options**
David Hall	6,827,000	45.79%	150,000
Jeremy Martin	27,000	0.18%	150,000

Substantial shareholdings

The directors are aware of the following substantial interests or holdings in 3% or more of the company's ordinary called up share capital as at 31 December 2017 :

Major shareholder	**No of shares**	**% of issued share capital**
David Hall	6,827,000	21.97%
Osisko Gold Royalties	5,876,000	18.91%
City Financial Investment Corporation	1,466,000	4.72%
Archean Capital Corporation	960,000	3.09%

Directors' insurance

The group has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the period and remain in force at the reporting date.

Supplier payment policy

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

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the group's contractual and other legal obligations.

Working capital and liquidity risk

Cashflow and working capital forecasting is performed in the operating entities of the Group and consolidated at a Group level basis for monthly reporting to the Board. The Directors monitor these reports and rolling forecasts to ensure the Group has sufficient cash to meet its operational needs. The Board has a policy of maintaining at least a GBP1m cash reserve headroom at all times. The Group has no other material fixed cost overheads than Director and employee costs, all of whom are on three month notice period contracts to ensure the Group has maximum flexibility to its operational expenditure.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, namely GBP for its Head Office costs and the value of its shares for fund-raising, Euros for the majority of its expenditure and the US$ in relation to its agreement with Centerra Gold for the recovery of costs and management fees. The Group’s Treasury risk management policy is to hold 75% of its cash reserves in Euros and to match its expenditures to the fund recovery from Centerra on as prompt a payment basis as possible. The balance of funds are held in GBP to match to its Head Office costs.

Credit and Interest Rate Risk

The Company has no borrowings and a low level of trade creditors and has minimal credit or interest rate risk exposure.

Post reporting date events

In the December 2017 Admission Document, the Company advised that it had applied for, but not yet obtained an advance assurance from HMRC that the company is a “qualifying company” for the purposes of the EIS. In March 2018, the company received notification from HMRC that it does not consider Erris’ activity of exploration to be a trading activity, unless the Company can produce minerals for sale within two years of the relevant share issuance. The Directors are reviewing the Company's options in relation to this notification and will notify investors who participated in the IPO if circumstances change.

Auditor

PKF Littlejohn LLP were appointed as auditor to the group and company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting. PKF Littlejohn LLP have indicated their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr J Martin
Director
28 March 2018

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS, 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The company is compliant with AIM rule 26 regarding the company's website.

CORPORATE GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017

The Directors comply with the provisions of the Corporate Governance Code for Small and Mid-Size Quoted Companies, published from time to time by the Quoted Companies Alliance ("QCA"), to the extent that they believe it is appropriate in light of the size, stage of development and resources of an AIM-quoted company. The Company has adopted, and operates a share dealing code for Directors, the Managers and other applicable employees. With effect from the Admission to AIM in December 2017, the Board established an audit committee (the "Audit Committee") and a remuneration committee (the "Remuneration Committee").

Audit Committee

The Audit Committee will meet at least three times a year and is responsible for ensuring that the financial performance of the Group is properly reported and monitored and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems. The external auditors will attend all meetings and the Audit Committee will have discussions with the external auditors at least once a year without any executive Directors being present. The Audit Committee comprises Andrew Partington as Chairman and Jeremy Taylor-Firth.

Remuneration Committee

The Remuneration Committee reviews the performance of the executive Directors and sets and reviews the scale and structure of their remuneration, the terms of their service agreements and the granting of share options with due regard to the interests of the Shareholders. In determining the remuneration of executive Directors, the Remuneration Committee seeks to enable the Company to attract and retain executives of high calibre. No director is permitted to participate in discussions or decisions concerning his own remuneration. The Remuneration Committee will meet as and when necessary. The Remuneration Committee comprises Graham Brown as Chairman and Jeremy Martin.

Share Dealing Code

The Company has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of MAR and of the AIM Rules for Companies.

Bribery and anti-corruption policy

The Company has adopted an anti-corruption and bribery policy, which applies to the Board, Management and employees of the Company and Group. It generally sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

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

Opinion

We have audited the financial statements of Erris Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2017 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of the group's and parent company's loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. Group materiality was €53,300 based on 1% of gross assets. For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A full scope audit was performed on the complete financial information of the Group's operating components located in United Kingdom, Ireland and Sweden, with the Group's key accounting function for all being based in the United Kingdom.

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.

Key Audit Matter	**How the scope of our audit responded to the key audit matter**
Valuation and recoverability of intangible assets The group holds significant intangible assets, comprising exploration and evaluation costs, with a carrying value at 31 December 2017 €1,047,708. The exploration projects are at an early stage of development and independent resource and reserve estimates are not currently available to enable value in use calculations. There is a risk that the amounts capitalised do not meet the recognition criteria in accordance with IFRS 6.	We performed the following procedures: • Confirmed good title to the licenses, in conjunction with the legal due diligence and competent persons reports completed as part of AIM admission. • Reviewed progress on exploration activities at each of the license areas subsequent to the period end. • Undertook substantive testing on capitalised expenditure. • Inquired of management whether there are any indicators of impairment.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

David Thompson (Senior Statutory Auditor) 28 March 2018
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

ERRIS RESOURCES PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

Continuing operations	Notes	15 months ended 31 December 2017 €	12 months ended 30 September 2016 €
Revenue	**4**	111,676	21,914
Cost of sales		(53,005)	(14,741)
Gross profit		58,671	7,173
Administrative expenses		(204,725)	(13,643)
Other operating income	**5**	-	497,860
IPO costs		(340,044)	-
Share based payments charge	**24**	(70,955)	-
Operating (loss)/profit	**7**	(557,053)	491,390
Finance income	**10**	54	2
(Loss)/profit before taxation		(556,999)	491,392
Tax on (loss)/profit	**11**	27,720	(58,368)
(Loss)/profit for the financial period	**27**	(529,279)	433,024
Other comprehensive income		-	-
Total comprehensive income for the period		(529,279)	433,024
Earnings per share from continuing operations attributable to the owners of the parent company	**12**		
Basic (cents per share)		(2.65)	2.91
Diluted (cents per share)		(2.65)	2.61

Total (loss)/profit and comprehensive (loss)/income for the period is attributable to the owners of the parent company.

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	31 December 2017 €	30 September 2016 €
Non-current assets			
Intangible assets	**13**	1,047,708	724,476
Property, plant and equipment	**14**	77	2,496
		1,047,785	726,972
Current assets			
Trade and other receivables	**18**	200,956	3,482
Cash and cash equivalents		4,090,143	546,194
		4,291,099	549,676
Total assets		5,338,884	1,276,648
Current liabilities			
Borrowings	**21**	1,139	2,568
Current tax liabilities		30,648	58,368
Trade and other payables	**20**	241,556	4,387
Amounts owed to Strategic Alliance partner	**22**	64,968	85,517
		338,311	150,840
Net current assets		3,952,788	398,836
Total liabilities		338,311	150,840
Net assets		5,000,573	1,125,808
Equity			
Share capital	**25**	351,133	183,932
Share premium		4,151,045	673,889
Other reserves	**26**	759,687	-
Retained earnings	**27**	(261,292)	267,987
Total equity		5,000,573	1,125,808

The financial statements were approved by the board of directors and authorised for issue on 28 March 2018 and are signed on its behalf by:

Mr J Martin
Director

Mr O C Rifaat
Director

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	31 December 2017 €
Non-current assets		
Investments	**15**	169,089
		169,089
Current assets		
Trade and other receivables	**18**	177,569
Cash and cash equivalents		4,011,695
		4,189,264
Total assets		4,358,353
Current liabilities		
Trade and other payables	**20**	221,809
		221,809
Net current assets		3,967,455
Total liabilities		221,809
Net assets		4,136,544
Equity		
Share capital	**25**	351,133
Share premium		4,151,045
Other reserves		70,955
Retained earnings	**27**	(436,589)
Total equity		4,136,544

As permitted by s408 Companies Act 2006, the company has not presented its own income statement. The company's loss for the period was €436,589.

The financial statements were approved by the board of directors and authorised for issue on 28 March 2018 and are signed on its behalf by:

Mr J Martin
Director

Mr O C Rifaat
Director

Company Registration No. 10829496

ERRIS RESOURCES PLC

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
Balance at 1 October 2015		182,729	663,059	-	(165,037)	680,751
Period ended 30 September 2016:						
Profit and total other comprehensive income for the period		-	-	-	433,024	433,024
Total comprehensive income for the period		-	-	-	433,024	433,024
Issue of share capital	**25**	1,203	10,830	-	-	12,033
Total transactions with owners recognised directly in equity		1,203	10,830	-	-	12,033
Balance at 30 September 2016		183,932	673,889	-	267,987	1,125,808
Period ended 31 December 2017:						
Loss and total other comprehensive income for the period		-	-	-	(529,279)	(529,279)
Total comprehensive income for the period		-	-	-	(529,279)	(529,279)
Issue of share capital	**25**	182,044	4,369,081	-	-	4,551,125
Issue costs		-	(218,036)	-	-	(218,036)
Credit to equity for equity settled share-based payments	**24**	-	-	70,955	-	-
Merger reserve		(14,843)	(673,889)	688,732	-	-
Total transactions with owners recognised directly in equity		167,201	3,477,156	759,687	-	4,404,044
Balance at 31 December 2017		351,133	4,151,045	759,687	(261,292)	5,000,573

ERRIS RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	Share capital €	Share premium €	Retained earnings €	Total €
As at 21 June 2017		-	-	-	-
Loss and total other comprehensive income for the period		-	-	(365,634)	(365,634)
Total comprehensive income for the period		-	-	(365,634)	(322,445)
Issued on incorporation	**25**	1	-	-	1
Issued on acquisition of subsidiary	**25**	169,088	-	-	169,088
Issue of share capital	**25**	182,244	4,369,081	-	4,551,325
Issue costs		-	(218,036)	-	(218,036)
Total transactions with owners recognised directly in equity		351,333	4,151,045	-	4,502,378
Balance at 31 December 2017		351,333	4,151,045	(365,634)	4,136,744

GROUP STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	2017 €	2017 €	2016 €	2016 €
Cash flows from operating activities					
Cash (used in)/generated from operations	**32**		(407,068)		598,252
Net cash (used in)/generated from operating activities			(407,068)		598,252
Cash flows from investing activities					
Exploration expenditure		(320,812)		(168,418)	
Exploration expenditure utilising funds from Strategic Alliance Agreement		(907,265)		(286,406)	
Interest received		54		2	
Net cash used in investing activities			(1,228,023)		(454,822)
Cash flows from financing activities					
Proceeds from issue of shares		4,494,806		12,034	
Share issue costs		(218,036)		-	
Proceeds from borrowings		-		7,121	
Repayment of borrowings		(1,429)		(4,553)	
Funds received from Strategic Alliance Agreements		886,715		371,923	
Net cash generated from financing activities			5,162,056		386,525
Net increase in cash and cash equivalents			3,526,965		529,955
Cash and cash equivalents at beginning of period			546,194		17,480
Effect of foreign exchange rates			16,984		(1,241)
Cash and cash equivalents at end of period			4,090,143		546,194

COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	2017 €	€
Cash flows from operating activities			
Cash used in operations	**33**		(269,390)
Net cash used in operating activities			(269,390)
Cash flows from financing activities			
Proceeds from issue of shares		4,494,806	
Share issue costs		(218,036)	
Net cash generated from financing activities			4,276,770
Net increase in cash and cash equivalents			4,007,380
Cash and cash equivalents at beginning of period			-
Effect of foreign exchange rates			4,315
Cash and cash equivalents at end of period			4,011,695

1 Accounting policies

Company information

Erris Resources Plc ("the Company") is a public limited company which is listed on the AIM Market of the London Stock Exchange domiciled and incorporated in England and Wales. The registered office address is 29-31 Castle Street, High Wycombe, Buckinghamshire, United Kingdom, HP13 6RU.

The company name was changed from Erris Resources (Exploration) Plc to Erris Resources Plc on 1 December 2017 by a special resolution.

The group consists of Erris Resources Plc and its subsidiary.

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements are prepared in euros, which is the functional currency of the company and the group's presentation currency, since the majority of exploration expenditure is denominated in this currency. Monetary amounts in these financial statements are rounded to the nearest €.

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These group and company financial statements for the period ended 31 December 2017 are the first financial statements of Erris Resources Plc and the group prepared in accordance with IFRS. For all periods up to and including 30 September 2016, the financial statements for Erris Resources (Exploration) Ltd were prepared in accordance with UK GAAP. The accounting policies explain the principal adjustments made by the group and company in restating the former UK GAAP financial statements. A reconciliation of the statement of financial position as at 1 October 2015 and the financial statements for the year ended 30 September 2016 are shown at note 34.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Erris Resources Plc and all of its subsidiaries (ie entities that the group controls 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).

Erris Resources Plc was incorporated on 21 June 2017. On 1 December 2017, Erris Resources Plc acquired the entire issued share capital of Erris Resources (Exploration) Ltd by way of a share for share exchange. This transaction has been treated as a group reconstruction and has been accounted for using the reverse merger accounting method. Accordingly, the financial information for the current period and comparatives have been presented as if Erris Resources (Exploration) Ltd had been owned by Erris Resources Plc throughout the current and prior periods.

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

1 Accounting policies **(Continued)**

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Reporting period

The current reporting period runs from 1 October 2016 to 31 December 2017 being a 15 month accounting period. The prior period ran from 1 October 2015 to 30 September 2016 being a 12 month accounting period. The figures presented in the financial statements will therefore not be entirely comparable. The reason the current accounting period was extended was to bring the group's reporting date in line with the calendar year, which is a more common reporting date for a publicly listed company.

1.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Recognised in revenue are charges that are invoiced to the group's joint venture partner. These are based upon costs together with management fees incurred in connection with exploration programmes carried out under joint venture arrangements and in which the group acts as principal. The execution of exploration programmes under joint venture funding arrangements is a key component of the strategy of the group.

1.6 Intangible fixed assets other than goodwill

Capitalised Exploration and Evaluation costs

Capitalised Exploration and Evaluation Costs consist of direct costs and fixed salary/consultants costs, capitalised in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources". The group recognises expenditure in Exploration and Evaluation assets when it determines that those assets will be successful in finding specific mineral assets. Exploration and Evaluation assets are initially measured at cost. Exploration and Evaluation Costs are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% on cost
Fixtures and fittings	25% on cost
Computers	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Non-current investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1 Accounting policies **(Continued)**

1.9 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet ready to use and not yet subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.11 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1 Accounting policies **(Continued)**

Derecognition of financial assets
Financial assets are derecognised 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 to another entity.

Financial liabilities
Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

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

1.13 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

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

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

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Equity

Share capital

Ordinary shares are classified as equity.

Share premium

Share Premium Account represents the excess of the issue price over the par value on shares issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Merger reserve

A merger reserve was created on purchase of the entire share capital of Erris Resources (Exploration) Ltd which was completed by way of a share for share exchange and which has been treated as a group reconstruction and accounted for using the reverse merger accounting method.

Share based payment reserve

The share based payment reserve is used to recognise the fair value of equity-settled share based payment transactions.

1.16 Share-based payments

Equity-settled share-based payments with employees and others providing services are measured at the fair value of the equity instruments at the grant date. Fair value is measured by use of an appropriate pricing model. Equity-settled share based payment transactions with other parties are measured at the fair value of the goods and services, except where the fair value cannot be estimated reliably in which case they are valued at the fair value of the equity instrument granted.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1 Accounting policies **(Continued)**

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.18 Foreign exchange

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in administrative expenses in the income statement for the period.

The financial statements are presented in the group's functional currency of Euros, since the majority of exploration expenditure is denominated in this currency.

1.19 Exceptional items

Items are disclosed separately in the financial statements, where it is necessary to do so to provide further understanding of the financial performance of the group. They are items that are material, either because of their size or nature, or that are non-recurring.

The legal, professional and other costs directly incurred on admission to AIM have been categorised in an exceptional item.

1 Accounting policies **(Continued)**

1.20 First time adoption of IFRS

These financial statements for the period ended 31 December 2017 are the first the group and company has prepared in accordance with IFRS. For periods up to and including the year ended 30 September 2016, Erris Resources (Exploration) Ltd prepared its financial statements in accordance with UK GAAP.

Accordingly, the group and company has prepared financial statements that comply with IFRS applicable as at 31 December 2017, together with the comparative period data for the year ended 30 September 2016, as described in the summary of significant accounting policies. In preparing the financial statements, the company's opening statement of financial position was prepared as at 1 October 2015, the company's date of transition to IFRS. A reconciliation of the statement of financial position as at 1 October 2015 and the financial statements for the year ended 30 September 2016 are shown in note 34.

Reconciliation of equity as at 1 October 2015 and 30 September 2016 and total comprehensive income for the year ended 30 September 2016

A reconciliation of the statement of financial position as at 1 October 2015 and the financial statements for the year ended 30 September 2016 are shown in note 34.

- **Intangible assets**
  Under previous UK GAAP the group fully expensed it's Exploration and Evaluation Costs. On adoption of IFRS, the group has chosen to capitalise it's Exploration and Evaluation costs on viable projects in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. As at 1 October 2015 €310,595 has been reclassified as intangible assets. As at 30 September 2016 €666,109 has been reclassified.
- **Share based payments**
  The company does not consider any adjustment for share options relating to previous periods to be material.
- **Statement of cashflows**
  The transition from UK GAAP to IFRS reflects the reclassification of purchase of intangible assets as investing activities where they have previously been expensed as operational activities.

1.21 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, the group's chief operating decision-maker ('CODM').

1.22 New standards, amendments and interpretations not yet adopted

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group or company.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Share-based payment

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity settled transactions with employees at the grant date, the company uses the Black Scholes model.

Stability of Joint Venture Partners

The stability of the Company's joint venture partners is periodically reviewed in determining the likelihood of future funding for related projects.

Impairment of Capitalised Exploration Costs

Capitalised exploration costs had a carrying value as at 31 December 2017 of €1,047,708 (2016 : €724,476). Management tests annually whether capitalised exploration costs have a carrying value in accordance with the accounting policy stated in note 1.6. Each exploration project is subject to an annual review either by a consultant or senior company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure as well as the likelihood of on-going funding from joint venture partners. In the event that a project does not represent an economic exploration target and results indicate that there is no additional upside, or that future funding from joint venture partners is unlikely, a decision will be made to discontinue exploration. The Directors have reviewed the estimated value of each project prepared by management and do not consider any impairment necessary.

3 Financial Risk and Capital Risk Management

The Group's activities expose itself to a variety of financial risks: market risk (primarily currency risks), credit risk and liquidity risk. The Group's overall risk management programme focusses on currency and working capital management.

Foreign Exchange Risk
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, namely GBP for its Head Office costs and the value of its shares for fund-raising, Euros for the majority of its expenditure and the US$ in relation to its agreement with Centerra Gold for the recovery of costs and management fees. The Group's Treasury risk management policy is to hold 75% of its cash reserves in Euros and to match its expenditures to the fund recovery from Centerra on as prompt a payment basis as possible. The balance of funds are held in GBP to match to its Head Office costs.

Credit and Interest Rate Risk
The Company has no borrowings and a low level of trade creditors and has minimal credit or interest rate risk exposure.

Working Capital and Liquidity Risk
Cashflow and working capital forecasting is performed in the operating entities of the Group and consolidated at a Group level basis for monthly reporting to the Board. The Directors monitor these reports and rolling forecasts to ensure the Group has sufficient cash to meet its operational needs. The Board has a policy of maintaining at least a GBP1m cash reserve headroom at all times. The Group has no other material fixed cost overheads than Director and employee costs, all of whom are on three month notice period contracts to ensure the Group has maximum flexibility to its operational expenditure.

4 Revenue

An analysis of the group's revenue is as follows:

	Group	
	2017	**2016**
	€	**€**
Revenue analysed by class of business		
Management fees	111,676	21,914

All the management fees are received from Centerra Gold under the terms of the Strategic Alliance Agreement.

5 Other operating income

Other operating income represents consideration in respect of Royalty Purchase Agreements concluded with Osisko Gold in September 2016. Osisko paid C$0.5m for a 1% Net Smelter Royalty over all future production at the Abbeytown project and C$0.25m for a 1% Net Smelter Royalty over all future production on all projects in Sweden. No Royalty Purchase Agreements were concluded in the period ended 31 December 2017.

An analysis of the group's other operating income is as follows :

	Group	
	2017	**2016**
	€	**€**
Sale of Royalties	-	497,860

6 Segmental reporting

The group operates principally in the UK, Ireland and Sweden, with operations managed on a project by project basis within each geographical area. Activities in the UK are mainly administrative in nature whilst the activities in Ireland & Sweden relate to exploration and evaluation work. The reports used by the Board and Management are based on these geographical segments.

	Ireland 2017 €	Sweden 2017 €	Others 2017 €	UK 2017 €	Total 2017 €
Revenues	-	111,676	-	54	111,730
Cost of sales and administrative expenses	(53,577)	(9,679)	(7,405)	(510,129)	(580,790)
Share based payments charge	-	-	-	(70,955)	(70,955)
Gain/loss on foreign exchange	(1,142)	(181)	-	(15,661)	(16,984)
Profit/(loss) from operations per reportable segment	(54,719)	101,816	(7,405)	(596,691)	(556,999)
Reportable segment assets	768,000	308,387	-	4,262,497	5,338,884
Reportable segment liabilities	4,829	74,669	-	258,813	338,311

	Ireland 2016 €	Sweden 2016 €	Others 2016 €	UK 2016 €	Total 2016 €
Revenues	-	21,914	-	2	21,916
Cost of sales and administrative expenses	(10,990)	(37)	-	(16,116)	(27,143)
Other operating income	332,106	165,754	-	-	497,860
Gain/loss on foreign exchange	-	(224)	-	(1,017)	(1,241)
Profit/(loss) from operations per reportable segment	321,116	187,407	-	(17,131)	491,392
Reportable segment assets	547,633	186,641	-	542,374	1,276,648
Reportable segment liabilities	-	86,053	-	64,787	150,840

7 Operating (loss)/profit

	Group 2017 €	Group 2016 €
Operating (loss)/profit for the period is stated after charging:		
Exchange losses	16,984	1,241
Share-based payments	70,955	-
Operating lease charges	2,403	1,302
Exploration costs expensed	71,986	11,251

8 Auditor's remuneration

	Group 2017 €	Group 2016 €
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	33,761	-
For other services		
Services relating to corporate finance transactions	19,899	-

9 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2017 Number	Group 2016 Number	Company 2017 Number	Company 2016 Number
Directors	6	2	6	-
Employees	3	3	-	-
	9	5	6	-

Their aggregate remuneration comprised:

	Group 2017 €	Group 2016 €	Company 2017 €	Company 2016 €
Wages and salaries	284,592	106,445	14,651	-
Social security costs	21,821	22,970	1,130	-
	306,413	129,415	15,781	-

9 Employees (Continued)

Aggregate remuneration expenses of the group include €101,222 (2016 : €32,599) of costs capitalised and included within non-current assets. In 2017, €118,455 (2016 : €95,289) aggregate remuneration expenses of the group have been reimbursed by joint venture partners.

Directors remuneration is disclosed in note 31.

10 Finance income

	Group 2017	Group 2016
	€	€
Interest income		
Interest on bank deposits	54	2

11 Taxation

	Group 2017	Group 2016
	€	€
Current tax		
UK corporation tax on profits for the current period	(27,720)	58,368

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	€	€
(Loss)/profit before taxation	(556,999)	491,392
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.17% (2016: 20.00%)	(106,777)	98,278
Tax effect of utilisation of tax losses not previously recognised	-	(132,899)
Unutilised tax losses carried forward	83,694	-
Foreign exchange differences	(4,637)	(8,826)
Transition adjustments	-	101,815
Taxation (credit)/charge for the period	(27,720)	58,368

12 Earnings per share

	2017 Number	2016 Number
Weighted average number of ordinary shares for basic earnings per share	19,983,454	14,895,347
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	2,300,000	1,700,000
Weighted average number of ordinary shares for diluted earnings per share	22,283,454	16,595,347

Earnings	€	€
Continuing operations		
Loss/profit for the period from continuing operations	(529,279)	433,024
Earnings for basic and diluted earnings per share attributable to equity shareholders of the company	(529,279)	433,024

Earnings per share for continuing operations		
Basic and diluted earnings per share	-	-
Basic earnings per share	(2.65)	2.91
Diluted earnings per share	(2.65)	2.61

There is no difference between the basic and diluted earnings per share for the period ended 31 December 2017 as the effect of the exercise of options would be to decrease the earnings per share.

13 Intangible fixed assets

Group	Ireland Exploration and Evaluation costs	Sweden Exploration and Evaluation costs	Total
	€	€	€
Cost			
At 1 October 2015	457,736	95,607	553,343
Additions - group funded	85,525	85,608	171,133
At 30 September 2016	543,261	181,215	724,476
Additions - group funded	207,491	115,741	323,232
At 31 December 2017	750,752	296,956	1,047,708
Amortisation and impairment			
At 1 October 2016 and 31 December 2017	-	-	-

13 Intangible fixed assets **(Continued)**

Carrying amount			
At 31 December 2017	750,752	296,956	1,047,708
At 30 September 2016	543,261	181,215	724,476

Intangible assets comprise capitalised exploration and evaluation costs (direct costs and fixed salary / consultants costs) of the Ireland Zinc Projects and the Sweden Gold Projects (excluding the amounts recovered from Centerra Gold as per note 22.)

The company had no intangible fixed assets at 31 December 2017 or 30 September 2016.

14 Property, plant and equipment

Group	Plant and equipment	Fixtures and fittings	Computers	Total
	€	€	€	€
Cost				
At 1 October 2016 and 31 December 2017	2,605	3,307	4,951	10,863
Depreciation and impairment				
At 1 October 2016	2,062	2,502	3,803	8,367
Depreciation charged in the period	543	728	1,148	2,419
At 31 December 2017	2,605	3,230	4,951	10,786
Carrying amount				
At 31 December 2017	-	77	-	77
At 30 September 2016	543	805	1,148	2,496

The company had no property, plant and equipment at 31 December 2017 or 30 September 2016.

Depreciation charges of €2,419 (2016 : €2,716) have been capitalised and included within intangible exploration and evaluation costs asset additions for the year.

15 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	€	€	€	€
Investments in subsidiaries	16	-	-	169,089	-

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid.

15 Fixed asset investments (Continued)

Movements in non-current investments

Company	**Shares in group undertakings**
	€
Cost or valuation	
At 1 October 2016	-
Additions	169,089
At 31 December 2017	169,089
Carrying amount	
At 31 December 2017	169,089
At 30 September 2016	-

16 Subsidiaries

Details of the company's subsidiary at 31 December 2017 are as follows:

Name of undertaking	**Registered office**	**Nature of business**	**Class of shares held**	**% Held Direct**	**Indirect**
Erris Resources (Exploration) Ltd	United Kingdom	Exploration	Ordinary	100.00	-

On 1 December 2017, Erris Resources Plc acquired the entire issued share capital of Erris Resources (Exploration) Ltd by way of a share for share exchange. This transaction has been treated as a group reconstruction and accounted for using the reverse merger accounting method.

The registered office address of the subsidiary undertaking is 29-31 Castle Street, High Wycombe, Bucks, HP13 6RU.

17 Financial instruments

	Group 2017	2016	Company 2017	2016
	€	€	€	€
Carrying amount of financial assets				
Trade and other receivables	200,956	3,482	177,569	-
Cash and bank balances	4,090,143	546,194	4,011,695	
	4,291,099	549,676	4,189,264	
Carrying amount of financial liabilities				
Borrowings	1,139	2,568	-	-
Trade and other payables	337,172	148,272	221,809	-
	338,311	150,840	221,809	-

18 Trade and other receivables

	Group 2017	2016	Company 2017	2016
Amounts falling due within one year:	€	€	€	€
Unpaid share capital	56,319	-	56,319	-
Other receivables	91,429	3,482	68,042	-
Prepayments and accrued income	53,208	-	53,208	-
	200,956	3,482	177,569	-

There is an amount of €56,319 (£50,000) included in the balance sheet within share capital called up but unpaid, which relates to a delayed receipt from a subscriber which was received on 3 January 2018. The share capital is stated as called up and fully paid, as this was purely a timing issue.

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

	Group 2017	2016	Company 2017	2016
Euros	4,370	1,314	-	-
Other currencies	196,586	2,168	177,569	-
	200,956	3,482	177,569	-

19 Trade receivables - credit risk

Fair value of trade receivables
The directors consider that the carrying amount of trade and other receivables is equal to their fair value.

No significant balances are impaired at the reporting end date.

20 Trade and other payables

	Group 2017 €	Group 2016 €	Company 2017 €	Company 2016 €
Trade payables	165,834	50	160,588	-
Other payables	1,821	815	-	-
Accruals and deferred income	73,901	3,522	61,221	-
	241,556	4,387	221,809	-

The carrying amounts of the group and company's current liabilities are denominated in the following currencies :

	Group 2017	Group 2016	Company 2017	Company 2016
Euros	6,351	515	-	-
Other currencies	235,205	3,872	221,809	-
	241,556	4,387	221,809	-

21 Borrowings

	Group 2017 €	Group 2016 €	Company 2017 €	Company 2016 €
Unsecured borrowings at amortised cost				
Director's loans - J Martin	-	712	-	-
Director's loans - D Hall	1,139	1,856	-	-
	1,139	2,568	-	-
	1,139	2,568	-	-

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows :

Payable within one year	1,139	2,568	-	-

The directors' loans are interest free and repayable on demand.

22 Amounts owed to Strategic Alliance partner

	Group 2017 €	2016 €	Company 2017 €	2016 €
Amounts owing to Centerra Gold Inc	64,968	85,517	-	-

On 1 January 2016, the company entered into a strategic alliance with Centerra Gold over an Area of Interest ("AOI") in Northern Sweden within which Erris holds exploration permits over seven areas totalling 253km2. Under the terms of this agreement, Centerra have the right to make an election ("Election") in respect of any or all of the designated project areas ("DPA" or "DPAs") in the AOI and on any rights subsequently acquired by Erris during the first two years after initial grant of the permit. On 20 December 2016, Centerra made Elections in respect of two DPAs. Under the terms of the agreement, Centerra must spend US$400,000 on drilling on each of those two DPAs within the subsequent twelve months and US $600,000 on each of those two DPAs within the following 12 months. If Centerra spends the aggregate US $1,000,000 on each DPA, they will earn a 51% stake in that DPA.

During the period, Centerra has spent a total of €907,265 (2016 : €286,406), comprising reimbursed costs of €795,591(2016 : €264,492) and paid management fees of €111,674 (2016 : €21,914). In accordance with the terms of the agreement, amounts received but not yet expensed are repayable to Centerra.

A summary of the funding received from and costs incurred on behalf of Centerra is analysed as follows :

	Funding from Centerra	Exploration expenditure	Management and consultancy fees	Net
Generative	307,617	279,404	52,247	24,034
Klippen	282,274	247,808	31,098	3,368
Käringberget	296,824	268,379	28,329	116
Brännberg	-	-		
	886,715	795,591	111,674	20,550

In the prior period, all funding received (€371,923) and expenditure incurred (€286,406) related to generative projects.

23 Share Options

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Period ended 31 December 2017		Year ended 30 September 2016	
	Average Exercise Price in £ per Share	Options Number	Average Exercise Price in £ per Share	Options Number
At beginning of the period	£0.084	1,700,000	£0.084	1,700,000
Granted	£0.10	2,800,000	-	-
At end of period	£0.094	4,500,000	£0.084	1,700,000
Exerciseable at the period end		2,933,332		1,700,000
Weighted average remaining exercise period, years		4.48		8.10

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

Grant	Vest	Expiry Date	Exercise Price, £	Share options (number) 2017	2016
2014	2014	2024	0.08	-	1,400,000
2015	2015	2025	0.10	-	300,000
2014	2014	2022	0.10	1,400,000	-
2015	2015	2022	0.10	300,000	-
2017	2017	2022	0.10	2,800,000	-
				4,500,000	1,700,000

During the period the Company revised the exercise period of the options granted before the date of admission down to 5 years from 10 years.

The weighted average fair value of options granted during the period, determined using the Black-Scholes valuation model, was £0.436 per option. The significant inputs into the model were:

share price at the date of grant	24.25p
exercise price	as shown above
volatility	10.60%
dividend yield	-
expected option life	1.5-2 years
annual risk-free interest rate	2.83%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices.

23 Share Options (Continued)

Under the terms of their appointment, Merlin Marr-Johnson and Cherif Rifaat were awarded Options prior to Admission, as follows:

- 450,000 Options, vesting 1/3 immediately, 1/3 after 6 months, 1/3 after 12 months; and
- 350,000 Options (subject to certain milestones), vesting 1/3 after 12 months, 1/3 after 18 months and 1/3 after 24 months;

Under the terms of their appointment, each non-executive Director was awarded 100,000 Options prior to Admission, vesting 1/3 immediately, 1/3 after 6 months and 1/3 after 12 months.

These Options were granted under the terms of the Share Option Plan at an exercise price of 10 pence per Ordinary Share.

24 Share-based payment transactions

The Directors believe that the success of the Group will depend to a significant degree on the performance of the Group's senior management team. The Directors also recognise the importance of ensuring that the management team are well motivated and identify closely with the success of the Group.

Accordingly, the Company has adopted the Share Option Plan which includes Options granted on admission and which replace the options in the capital of the subsidiary held by certain Existing Shareholders and others. The Options will expire after a maximum period of 5 years.

The Share Option Plan also includes Options which have been granted to the Directors as part of the terms of their appointment.

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Expenses recognised in the period				
Arising from equity settled share based payment transactions	70,955	-	70,955	-

25 Share capital

	Group and company	
	2017	2016
Ordinary share capital	€	€
Issued and fully paid		
31,069,430 ordinary shares of 1p each	351,133	351,133
	351,133	351,133

The group's share capital is issued in £, but is converted into the functional currency of the group (Euros) at the date of issue of the shares.

25 Share capital (Continued)

Reconciliation of movements during the period:

	Number	€
Ordinary shares of 1p each		
At 1 October 2016	14,909,430	169,088
Issue of fully paid shares	16,160,000	182,045
At 31 December 2017	31,069,430	351,133

26 Other reserves

	Merger reserve	Share based payment reserve	Total
Group	€	€	€
At 1 October 2015	-	-	-
Additions	-	-	-
At 30 September 2016	-	-	-
Additions	688,732	70,955	759,687
At 31 December 2017	688,732	70,955	759,687

A merger reserve was created on purchase of the entire share capital of Erris Resources (Exploration) Ltd which was completed by way of a share for share exchange and which has been treated as a group reconstruction and accounted for using the reverse merger accounting method.

27 Retained earnings

	Group		Company	
	2017	2016 as restated	2017	2016 as restated
	€	€	€	€
At the beginning of the period	267,987	(165,037)	-	-
Profit/(loss) for the period	(529,279)	433,024	(322,445)	-
At the beginning and end of the period	(261,292)	267,987	(322,445)	-

28 Financial commitments, guarantees and contingent liabilities

An asset purchase agreement dated 13 October 2016 and entered into between the company and Beowulf Mining Sweden AB ("Beowulf") pursuant to which the company purchased exploration rights for the areas known as Grundsträsk nr 6 and Grundträsk nr 7 (together with all information relating thereto) from Beowulf. The consideration of US$200,000 will become payable subject to the company announcing JORC indicated resource of 100,000 troy ounces of gold, together with a further amount of $2 per troy ounce on the announcement of indicated resource subject to a JORC indicated resource of at least 1 million troy ounces. Pursuant to this agreement, the company is obliged to grant to Beowulf a royalty under which it is paid 1 per cent. of the net smelting revenue generated by the company on any gold produced from the property. This royalty shall continue indefinitely unless the company "buys out" the royalty by payment of US$2,000,000 to Beowulf. In addition, the company is obliged to abide by the terms of the "2003 Data Access Agreement" which was entered into between Beowulf, the Scanex Group ("Scanex") and Mirab Mineral Resources AB ("Mirab") on 14 November 2003 for a period of 15 years. Pursuant to the terms of this agreement, Scanex and Mirab provided Beowulf with data relating to past mining exploration in return for the granting by Beowulf of a royalty to Scanex and Mirab for 1 per cent. of the net smelting revenue generated by Beowulf in relation to the area known as Grundträsk. The company is required to honour this royalty.

Whilst the Directors acknowledge this contingent liability, at this stage of activities, it is not considered that the outcome can be considered probable or reasonably estimable and hence no provision has been made in the financial statements.

29 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Within one year	3,960	5,940	-	-
Between two and five years	-	3,960	-	-
	3,960	9,900	-	-

30 Events after the reporting date

In the December 2017 Admission Document, the Company advised that it had applied for, but not yet obtained an advance assurance from HMRC that the company is a "qualifying company" for the purposes of the EIS. In March 2018, the company received notification from HMRC that it does not consider Erris' activity of exploration to be a trading activity, unless the Company can produce minerals for sale within two years of the relevant share issuance. The Directors are reviewing the Company's options in relation to this notification and will notify investors who participated in the IPO if circumstances change.

31 Related party transactions

	2017		2016	
	Remuneration	Share Option Charge	Remuneration	Share Option Charge
	€	€	€	€
Mr J Martin	1,998	5,458	-	-
Mr O C Rifaat	3,330	24,561	-	-
Mr M A Marr-Johnson	6,659	24,562	-	-
Mr G Brown	1,332	5,458	-	-
Mr A J Partington	-	5,458	-	-
Mr J D Taylor-Firth	1,332	5,458	-	-
	14,651	70,955	-	-

Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Consultancy and expenses		Management fees	
	2017	2016	2017	2016
	€	€	€	€
Group				
Strategic Alliance partner	-	-	111,674	21,914
Key management personnel	114,439	83,569	-	-
Company				
Key management personnel	66,048	-	-	-

Aggregate consultancy and expenses include €11,673 (2016 : €83,569) of costs capitalised and included within non-current assets and €22,037 (2016 : € NIL) of costs reimbursed by joint venture partners. There were no amounts outstanding at the year end.

Included within the consultancy and expenses were € NIL (2016 : €83,569) relating to non-cash consideration for services provided by Mr David Hall (a director at the time).

Amounts owed to the directors are disclosed in note 21.

Strategic Alliance arrangements with Centerra Gold are disclosed in note 12. During the period, Centerra reimbursed costs of €795,591 (2016 : €264,492) and paid management fees of €111,674 (2016 : €21,914). As at 31 December 2017, there is an outstanding liability of €64,968 (2016 : €85,517) owing to Centerra Gold included within other payables.

31 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2017	2016
	€	€
Group		
Strategic Alliance partner	64,968	85,517
Key management personnel	1,139	7,120
	66,107	92,637
Company		
Strategic Alliance partner	-	-
Key management personnel	-	-

32 Cash (used in)/generated from group operations

	2017	2016
	€	€
(Loss)/profit for the period after tax	(529,279)	433,024
Adjustments for:		
Taxation (credited)/charged	(27,720)	58,368
Investment income	(54)	(2)
Foreign exchange gains on cash equivalents	(16,984)	1,241
Equity settled share based payment expense	70,955	-
Non-cash consideration for shares	-	99,784
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(140,290)	2,370
Increase in trade and other payables	236,304	3,467
Cash (used in)/generated from operations	(407,068)	598,252

Cash flows from operating activities include an adjustment of NIL (2016 : €99,784) for non-cash consideration for services.

33 Cash generated from operations - company

	2017 €	2016 €
Loss for the period after tax	(365,634)	-
Adjustments for:		
Foreign exchange gains on cash equivalents	(4,315)	-
Movements in working capital:		
(Increase) in trade and other receivables	(121,249)	-
Increase in trade and other payables	221,808	-
Cash used in operations	(269,390)	-

34 Reconciliations on adoption of IFRS

Reconciliation of equity

	Notes	1 October 2015 €	30 September 2016 €
Equity as reported under previous UK GAAP		127,408	459,699
Adjustments arising from transition to IFRS:			
Exploration and evaluation costs capitalised	**R1**	310,595	666,109
Equity reported under IFRS		438,003	1,125,808

Reconciliation of group profit for the financial period

	Notes	2016 €
Profit as reported under previous UK GAAP		320,258
Adjustments arising from transition to IFRS:		
Exploration and evaluation costs capitalised	**R1**	112,766
Profit reported under IFRS		433,024

34 Reconciliations on adoption of IFRS (Continued)

Reconciliation of equity - group

		At 1 October 2015			At 30 September 2016		
		Previous UK GAAP	Effect of transition	IFRS	Previous UK GAAP	Effect of transition	IFRS
	Notes	€	€	€	€	€	€
Fixed assets							
Other intangibles	R1	-	310,595	310,595	-	724,476	724,476
Property, plant and equipment		5,211	-	5,211	2,496	-	2,496
		5,211	310,595	315,806	2,496	724,476	726,972
Current assets							
Debtors		103,746	-	103,746	-	-	3,482
Bank and cash		17,480	-	17,480	546,194	-	546,194
		121,226	-	121,226	546,194	-	549,676
Creditors due within one year							
Borrowings		-	-	-	(2,568)	-	(2,568)
Taxation	R1	1,892	-	1,892	-	(58,368)	(58,368)
Other payables		(921)	-	(921)	(89,904)	-	(89,904)
		971	-	971	(92,472)	(58,368)	(150,840)
Net current assets		122,197	-	122,197	453,722	(58,368)	398,836
Total assets less current liabilities		127,408	310,595	438,003	456,218	666,108	1,125,808
Net assets		127,408	310,595	438,003	456,218	666,108	1,125,808
Capital and reserves							
Share capital		182,729	-	182,729	183,932	-	183,932
Share premium		663,059	-	663,059	673,889	-	673,889
Profit and loss		(718,380)	310,595	(407,785)	(398,122)	666,109	267,987
Total equity		127,408	310,595	438,003	459,699	666,109	1,125,808

34 Reconciliations on adoption of IFRS **(Continued)**

Reconciliation of group profit for the financial period

		Period ended 30 September 2016		
		Previous UK GAAP	Effect of transition	IFRS
	Notes	€	€	€
Revenue		21,914	-	21,914
Cost of sales	R1	(183,810)	169,069	(14,741)
Gross profit		(161,896)	169,069	7,173
Administrative expenses		(15,708)	2,065	(13,643)
Other operating income		497,860	-	497,860
Operating (loss)/profit		320,256	171,134	491,390
Interest receivable and similar income		2	-	2
Taxation	R1	-	(58,368)	(58,368)
Profit for the financial period		320,258	112,766	433,024

Notes to reconciliations on adoption of IFRS - group

R1

Under UK GAAP the group fully expensed it's Exploration and Evaluation Costs. On adoption of IFRS, the group has chosen to capitalise it's Exploration and Evaluation costs on viable projects in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. As at 1 October 2015 €310,595 has been reclassified as intangible assets. As at 30 September 2016 €666,109 has been reclassified.