

**STALLION RESOURCES PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**

**Company Number: 07752674**

**STALLION RESOURCES PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **STALLION RESOURCES PLC**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is that of an investing Company.

#### **STRATEGIC UPDATE**

The audited Statement of Comprehensive Income for the year ended 31 December 2016 states that the Company made a loss of €19,188 (2015: loss of €151,952), on revenues of €nil (2015: €nil).

#### **INVESTING POLICY**

On 9 May 2014, the Company's shareholders approved a new Investing Policy which is to invest in and/or acquire companies and/or projects within the natural resources and/or energy sector with potential for growth. The Investing Policy states that the Company will also consider opportunities in other sectors as they arise if the Directors consider there is an opportunity to generate an attractive return for Shareholders. In selecting investment opportunities, the Directors will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value.

As an Investing Company under the AIM Rules, the Company was required to make an acquisition or acquisitions which constitutes a reverse takeover under the AIM Rules or otherwise implement its proposed Investing Policy on or before the date falling twelve months from the adoption of the Investing Policy failing which, in accordance with the AIM rules, the Company's Ordinary Shares would then be suspended from trading on AIM. The Company's Board of Directors considered a wide range of investments throughout the year, including conducting detailed due diligence and engaging in negotiations on several project opportunities, both in the natural resources sector but also in other unrelated sectors. However, as at 9 May 2015, being 12 months after the approval of the Company's Investing Policy, the Company had not implemented its Investing Policy or completed a reverse takeover. As such, the Company's shares were suspended from trading on 11 May 2015. The Company had a period of six months from 11 May 2015 to make a reverse takeover or implement the Company's Investing Policy in order for the Company's shares to recommence trading.

On 11 November 2015 the Company announced that effective 11 November 2015, the Company's ordinary shares are no longer admitted to trading on AIM, pursuant to the operation of Rule 15 of the AIM Rules. While this is regrettable, the Company's Board of Directors is continuing to work diligently with a view to ensuring that an appropriate transaction is consummated to enable the re-admission of the Company's ordinary shares to trading on AIM or another appropriate exchange. We will keep shareholders apprised of developments.

#### **KEY PERFORMANCE INDICATORS**

The key performance indicators going forward will be based on the performance of any investments made and will be determined when this occurs.

#### **CREDITOR PAYMENT POLICY**

The Company's policy is to agree terms of transactions including payment terms and to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with those terms. The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the year-end will be determined when this occurs.

#### **PRINCIPAL RISKS**

The principal external risks facing the Company are:

##### **(a) Market risk**

The Company's financial instruments comprise cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risk arising from the Company's financial instruments is liquidity risk. The Company has not entered into any derivative transactions.

##### **(b) Fair value interest rate risk**

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates. The Company has no borrowing facilities agreed with its bankers.

**STALLION RESOURCES PLC**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**PRINCIPAL RISKS (CONTINUED)**

**(c) Currency risk**

The currency profile of the Company's financial assets was as follows:

	<b>2016</b>
	<b>€</b>
Cash and cash equivalents:	
Sterling	17,493
Euros	342
	<hr/>
	17,835
	<hr/> <hr/>

The Company's sterling balance sheet is not protected from movements in the exchange rate between these currencies and sterling.

**(d) Price risk**

At 31 December 2016, there was no significant price risk.

**(e) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers. At 31 December 2016, there was no significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

**(f) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. The directors have prepared forecasts which indicate that the Company will be able to meet its liabilities as they fall due for at least the next twelve months.

**FINANCIAL OVERVIEW**

The Company made a loss before tax of €29,345 (2015: €149,037) and cash balances held at 31 December 2016 were €17,835 (2015: €31,334).

**OUTLOOK**

The Board continues to work diligently on the consummation of a transaction which will be value-enhancing for the Company's shareholders.

I would like to take this opportunity to thank the Board, staff and stakeholders for their continued support during the year.

On behalf of the Board on 5 June 2017.

**David Ajemian**

**Non Executive Chairman**

# STALLION RESOURCES PLC

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors submit their report and the Financial Statements of Stallion Resources Plc ("SRP") for the year ended 31 December 2016. SRP is a public Company incorporated in England and Wales.

#### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the business and future developments is included in the Strategic Report on pages 1 to 2.

#### DIRECTORS

David Ajemian (Non-Executive Chairman)

Cameron Pearce (Non-Executive Director)

#### DIRECTORS' INTERESTS IN SHARES

At 31 December 2016

	No. of shares	Percentage
David Ajemian	58,628,054	6.3%
Cameron Pearce	58,628,054	6.3%

#### POLITICAL AND CHARITABLE CONTRIBUTIONS

No donations for political or charitable purposes have been made by the Company during the year.

#### SUBSTANTIAL SHAREHOLDINGS

As at 31 December 2016, the Company had the following shareholders with interests of 3% or more in the ordinary issued share capital of the Company.

Shareholder	No. of shares	Percentage
Fitel Nominees Limited	517,135,017	55.53%
Mr Ruben Emanuel Raposo Dias Grilo	140,000,000	15.03%
Cameron Pearce	58,628,054	6.3%
Mr David Ajemian	58,628,054	6.3%
Pershing Nominees Limited	48,844,687	5.38%
Panmure Gordon (UK) Ltd	37,192,023	4.07%

#### GOING CONCERN

Cash flow projections have been prepared for the Company. Based on these projections, the Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these Financial Statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board on 5 June 2017.

**David Ajemian**  
Non-Executive Chairman

## **STALLION RESOURCES PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors are not required to but have elected to prepare Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Financial Statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such Financial Statements that references in the relevant part of that Act to Financial Statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing the Financial Statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRSs adopted by the EU;
- d. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are also responsible for the maintenance and integrity of the SRP website.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STALLION RESOURCES PLC**

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We have audited the Financial Statements of Stallion Resources Plc for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with sections 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit**

A description of the scope of an audit of Financial Statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion:

- the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the loss for the period then ended;
- the Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion:

- the information given in the Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Ian Cliffe (Senior Statutory Auditor)**  
**for and on behalf of haysmacintyre**  
Statutory Auditors  
Date: 5 June 2017

26 Red Lion Square  
London  
WC1R 4AG

**STALLION RESOURCES PLC****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Notes	2016 €	2015 €
<b>Revenue</b>		-	-
Cost of sales		-	-
		<u>-</u>	<u>-</u>
<b>Gross loss</b>		-	-
Administrative expenses		(29,345)	(149,037)
Share-based payments		-	-
		<u>-</u>	<u>-</u>
<b>Loss from operations</b>	2	<u>(29,345)</u>	<u>(149,037)</u>
<b>Loss before tax</b>		(29,345)	(149,037)
Tax charge for the year	4	-	(13,646)
		<u>(29,345)</u>	<u>(162,683)</u>
		<u><u>(29,345)</u></u>	<u><u>(162,683)</u></u>
<b>Other comprehensive expenses</b>			
Currency translation on foreign currency net investments		10,157	10,731
		<u>10,157</u>	<u>10,731</u>
<b>Total comprehensive loss attributable to equity holders of the Company</b>		<u>(19,188)</u>	<u>(151,952)</u>
		<u><u>(19,188)</u></u>	<u><u>(151,952)</u></u>

The notes on pages 10 to 17 form part of these Financial Statements.

**STALLION RESOURCES PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 €	2015 €
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	6	807	2,641
Cash and cash equivalents		17,835	31,334
<b>Total current assets</b>		<u>18,642</u>	<u>33,975</u>
<b>TOTAL ASSETS</b>		<u><u>18,642</u></u>	<u><u>33,975</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	8	335,564	335,564
Share premium reserve		2,505,416	2,505,416
Share-based payments reserve		181,570	181,570
Retained loss		(3,105,045)	(3,085,857)
<b>TOTAL EQUITY</b>		<u>(82,495)</u>	<u>(63,307)</u>
<b>Current liabilities</b>			
Trade and other payables	7	101,137	97,282
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>(18,642)</u></u>	<u><u>(33,975)</u></u>

The Financial Statements were approved by the board of directors and authorised for issue on 5 June 2017 and are signed on its behalf by:

**David Ajemian**  
**Non Executive Chairman**

The notes on pages 10 to 17 form part of these Financial Statements.

**STALLION RESOURCES PLC****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Share Capital €</b>	<b>Share Premium Account €</b>	<b>Based Payments Reserve €</b>	<b>Retained Loss €</b>	<b>Total Equity €</b>
Balance at 1 January 2016	335,564	2,505,416	181,570	(2,933,905)	88,645
Loss for the year	-	-	-	(162,683)	(162,683)
Translation of year end balances	-	-	-	10,731	10,731
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2016	335,564	2,505,416	181,570	(3,085,857)	(63,307)
Loss for the year	-	-	-	(29,345)	(29,345)
Translation of year end balances	-	-	-	10,157	10,157
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<b>335,564</b>	<b>2,505,416</b>	<b>181,570</b>	<b>(3,105,045)</b>	<b>(82,495)</b>
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**STALLION RESOURCES PLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Operating activities		
Loss before taxation	(29,345)	(149,037)
<b>Adjustments for:</b>		
Decrease in receivables	1,834	9,051
Increase in payables	3,855	49,776
	<hr/>	<hr/>
Cash used in operations	(23,656)	(90,210)
Tax paid	-	(13,646)
	<hr/>	<hr/>
<b>Cash outflow from operating activities</b>	<b>(23,656)</b>	<b>(103,856)</b>
	<hr/>	<hr/>
Foreign exchange differences on translation	10,157	10,731
Cash and cash equivalents at start of year	31,334	124,459
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>17,835</b>	<b>31,334</b>
	<hr/> <hr/>	<hr/> <hr/>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) General information and authorisation of financial statements**

Stallion Resources Plc is a public limited Company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is Suite 9, 72 Great Titchfield Street, London. W1W 7QW. The Company's ordinary shares were traded on the AIM Market operated by the London Stock Exchange until 11 November 2015. The Financial Statements of Stallion Resources Plc for the year ended 31 December 2016 were authorised for issue by the Board on 5 June 2017 and the balance sheet signed on the Board's behalf by David Ajemian, Non Executive Chairman. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 2.

**(b) Statement of compliance with IFRS**

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union (IFRS) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS. The consolidated financial information has been prepared under the historical cost convention. The principal accounting policies adopted by the Company are set out below.

**(c) Foreign currency translation**

*Functional and presentation currency*

The functional currency of the Company is pounds sterling. The Financial Statements are presented in euro. Following disposal of the subsidiaries in 2014, the presentational currency has been left as euro, as the Directors have every intention of making acquisitions in the European Community.

The Financial Statements are presented to 31 December 2016 and the average exchange rate used is 1.2248 euros to a pound sterling. The year end rate used is 1.1674.

*Transactions and balances*

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

**(d) Financial Instruments**

*Cash and cash equivalents*

Cash and cash equivalents are measured at fair value and comprise cash deposits.

*Trade and other receivables (excluding prepayments)*

Trade and other receivables do not carry any interest and are stated at their nominal value.

*Trade and other payables*

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed, but excluding services provided under executory contracts, where the performance of their respective obligations by both parties to the contract remain partially complete at the balance sheet date. Liabilities recognised are unsecured, non-interest bearing and are stated at cost.

*Share capital*

Ordinary shares are classified as equity.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Current and deferred tax**

The tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable profit for the year. Taxable profit differs from net profit 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 liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are 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 (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

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

**(f) Share options and warrants**

Where share options or warrants are awarded to directors and employees, the fair value of the options or warrants at the date of grant is charged to the Income Statement over the vesting year. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting year is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options and warrants granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options and warrants are modified before they vest, the increase in the fair value of the options and warrants, measured immediately before and after the modification, is also charged to the Income Statement over the remaining vesting year.

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

When share options and warrants lapse, any amounts credited to the share-based payments reserve are released to the retained earnings reserve.

**(g) Share based payments**

In accordance with IFRS 2 'Share-based payments', the Company reflects the economic cost of awarding shares and share options to employees and directors by recording an expense in the Statement of Comprehensive Income equal to the fair value of the benefit awarded. The expense is recognised in the Statement of Comprehensive Income over the vesting period of the award.

Fair value is measured by the use of a Black-Scholes option pricing model, which takes into account the expected life of the awards, the expected volatility of the return on the underlying share price, the market value of the shares, the strike price of the awards and the risk-free rate of return. The charge to the Income Statement is adjusted for the effect of service conditions and non-market performance conditions such that it is based on the number of awards expected to vest. Where vesting is dependent on market-based performance conditions, the likelihood of the conditions being achieved is adjusted for in the initial valuation and the charge to the Income Statement is not therefore adjusted so long as all other conditions are met.

**STALLION RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Share based payments (continued)**

Where an award is granted with no vesting conditions, the full value of the award is recognised immediately in the Income Statement.

**(h) Risks**

*Financial risk factors*

For the year covered by the financial information the only financial risk to which the Company was exposed was foreign exchange risk, and specifically changes in the sterling/euro rate. There was no formal policy for managing such risk during the year because of the insignificant sums involved and in the directors' view neither profits nor net assets were sensitive to any reasonably likely movement in the rate.

*Capital risk management*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

**STALLION RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. BUSINESS AND GEOGRAPHICAL SEGMENTS**

The Company's operations are located in the United Kingdom. As the UK-based operations consist of the holding Company operations only, no detailed analysis by geographical segment is considered appropriate.

<b>2. LOSS FROM OPERATIONS</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Loss from operations has been arrived at after charging:		
Net foreign exchange losses	-	29
Share based payments	-	-
Auditors' remuneration for audit services (see below)	3,000	6,495
	<u>3,000</u>	<u>7,815</u>
Amounts payable to Company Auditors and their associates in Respect of both audit and non-audit services	3,000	7,815
Comprising:		
- audit services	3,000	6,495
- non-audit services	-	1,320
	<u><u>3,000</u></u>	<u><u>1,320</u></u>

<b>3. STAFF COSTS</b>	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
The average monthly number of employees (including executive directors) for the year for each of the Company's principal divisions was as follows:		
Management	2	2
Selling and distribution	-	-
Production	-	-
	<u>2</u>	<u>2</u>
	<u><u>2</u></u>	<u><u>2</u></u>
	<b>€</b>	<b>€</b>
The aggregate remuneration comprised:		
Wages and salaries	-	16,670
Social security and taxes	-	-
	<u>-</u>	<u>16,670</u>
	<u><u>-</u></u>	<u><u>16,670</u></u>

**Directors' emoluments**

The value of all elements of remuneration received by each director during the year was as follows:

	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Salary</b>	<b>Total</b>	<b>Salary</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
David Ajemian	-	-	8,335	8,335
Cameron Pearce	-	-	8,335	8,335
	<u>-</u>	<u>-</u>	<u>16,670</u>	<u>16,670</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>16,670</u></u>	<u><u>16,670</u></u>

**STALLION RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. STAFF COSTS (continued)**

The interests of the directors in the issued share capital of the Company as at 31 December 2016 were as follows:

	2016			2015		
	No. of shares €	Percentage %	No. of warrants held €	No. of shares €	Percentage %	No. of warrants held €
David Ajemian	58,628,054	6.3%	13,888,888	58,628,054	6.3%	13,888,888
Cameron Pearce	58,628,054	6.3%	43,888,888	58,628,054	6.3%	43,888,888

The warrants in which the Directors have an interest are detailed in Note 10.

<b>4. INCOME TAX EXPENSE</b>	<b>2016</b> €	<b>2015</b> €
Current tax	-	(13,646)
Loss before taxation	(29,345)	(149,037)
Expected tax credit on loss before tax at 20% (2015 – 20 %)	(5,869)	(29,807)
Current tax profit and loss charge	-	13,646
Difference to be explained (see below)	(5,869)	(16,161)
Tax payable by foreign subsidiaries	-	-
Losses carried forward	5,869	29,807
Adjustments in respect of prior periods	-	(13,646)
Adjustments in respect of prior periods	-	-

**5. DIVIDENDS**

No dividend has been declared for the year (2015 – nil).

<b>6. TRADE AND OTHER RECEIVABLES</b>	<b>2016</b> €	<b>2015</b> €
Other receivables	807	2,641

There are no significant credit risks arising from financial assets that are neither past due nor impaired. The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

**STALLION RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>7. TRADE AND OTHER PAYABLES</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Trade payables	96,935	89,649
Taxes and social security	-	-
Other payables	4,202	7,633
	<u>101,137</u>	<u>97,282</u>
Due within one year	<u>101,137</u>	<u>97,282</u>
Due after more than one year	<u>-</u>	<u>-</u>

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

<b>8. SHARE CAPITAL</b>	<b>Number of shares</b>	<b>Nominal value €</b>
<b>Issued and fully paid – as at 31 December 2016</b>		
Ordinary shares of 0.03 pence each	931,313,342	335,564
	<u>931,313,342</u>	<u>335,564</u>
<b>Issued and fully paid – as at 31 December 2015</b>		
Ordinary shares of 0.03 pence each	931,313,342	335,564
	<u>931,313,342</u>	<u>335,564</u>

The Directors of the Company continue to be limited as to the number of shares they can allot at any time and remain subject to the allotment authority granted by the shareholders pursuant to section 551 of the Companies Act 2006.

The Company has one class of ordinary shares which carry no right to fixed income.

On 30 July 2014, the Company issued 266,666,662 new warrants, of which 13,888,888 were issued to David Ajemian and 43,888,888 to Cameron Pearce. These warrants expired on 31 January 2016.

At 31 December 2016, the following options and warrants were in issue:

<b>Exercise Price</b>	<b>Expiry date</b>	<b>Warrants in issue at 01 January</b>	<b>Warrants expired during the year</b>	<b>Warrants in issue at 31 December</b>
Warrants 0.06p	31 January 2016	226,666,662	(226,666,662)	-
		<u>226,666,662</u>	<u>(226,666,662)</u>	<u>-</u>

**9. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year.

**10. FINANCIAL INSTRUMENTS****Capital risk management**

The Company manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce cost of capital. The capital structure of the Company comprises equity attributable to equity holders of the Company consisting of issued ordinary share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

**General risk management principles****(a) Market risk**

The Company's financial instruments comprise equity investments, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risk arising from the Company's financial instruments is liquidity risk. The Company has not entered into any derivative transactions.

**(b) Fair value interest rate risk**

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates. The Company has no borrowing facilities agreed with its bankers.

**(c) Currency risk**

The currency profile of the Company's financial assets was as follows:

	<b>2016</b>	<b>2015</b>
	€	€
Cash and cash equivalents:		
Sterling	17,493	30,957
Euros	342	377
	<u>17,835</u>	<u>31,334</u>

The Company is not protected from movements in the exchange rate between these currencies and sterling.

**(d) Price risk**

At 31 December 2016, there was no significant price risk.

**(e) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers. At 31 December 2016, there was no significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

**(f) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. The directors have prepared forecasts which indicate that the Company will be able to meet its liabilities as they fall due for at least the next twelve months.

**STALLION RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**10. FINANCIAL INSTRUMENTS (continued)**

Financial instruments by category:

	<b>2016</b>	<b>2015</b>
	€	€
Financial assets:		
Trade and other receivables	807	641
Cash and cash equivalents	17,835	31,334
	<u>18,642</u>	<u>33,975</u>
Financial liabilities:		
Trade and other payables	<u>101,137</u>	<u>97,282</u>

The fair value of financial assets and liabilities equal their carrying amount. All financial assets and liabilities are due within one year.

**(g) Cash flow interest rate risk**

Interest rate changes may affect the Company's ability to raise funds for future acquisitions by influencing the amounts investors are willing to commit to.

**(h) Fair value**

There is no significant difference between the carrying amounts shown in the balance sheet and the fair values of the Company's financial instruments. For current trade and other receivables/payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value.

**11. CONTINGENT LIABILITIES**

As at 31 December 2016, the Company did not have any contingent liabilities or litigation outstanding not provided for.

**12. CONTINGENT LIABILITIES**

As at 31 December 2016, the Company did not have any contingent liabilities or litigation outstanding not provided for.

**13. ULTIMATE CONTROLLING PARTY**

The Directors do not consider there to be a single ultimate controlling party.

## STALLION RESOURCES PLC

### DIRECTORS, ADVISERS AND OFFICERS

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<b>Directors</b>	David Ajemian, <i>Non-Executive Chairman</i> Cameron Pearce, <i>Non-Executive Director</i>
<b>Company Secretary</b>	George Frangeskides
<b>Registered Office</b>	Suite 9 72 Great Titchfield Street London W1W 7QW United Kingdom
<b>Company Website</b>	<a href="http://www.stallionresources.com">www.stallionresources.com</a>
<b>Auditors</b>	<b>haysmacintyre</b> 26 Red Lion Square London WC1R 4AG
<b>Bankers</b>	<b>Barclays Bank Plc</b> London Corporate Banking 7 <sup>th</sup> Floor, United Kingdom House 180 Oxford Street London W1D 1EA
<b>Registrars</b>	<b>Computershare Investor Services plc</b> The Pavilions Bridgwater Road Bristol BS13 8AE