



AFRICAN PIONEER PLC

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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(Company no 008591V)

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Bird (Chairman)
J Cunningham-Davis
R Samtani

SECRETARY

Cavendish Secretaries Limited

REGISTERED OFFICE

34 North Quay
Douglas
Isle of Man
IM1 4LB

REGISTERED NUMBER

008591V

BANKERS

Cayman National
Cayman National House
4-8 Hope Street
Douglas
Isle of Man
IM1 1AQ
British Isles

SOLICITORS

Fasken Martineau
17 Hanover Square
London
W1S 1HU

REGISTERED AGENT

Cavendish Trust Company Limited
34 North Quay
Douglas
Isle of Man
IM1 4LB

AUDITORS

Greystone LLC
18 Athol Street
Douglas
Isle of Man
IM1 1JA

OPERATIONS REVIEW

Dear Shareholder,

The year under review has seen the African Pioneer's net asset value decrease to 0.04p per share from 0.09p per share on 31 December 2018.

There were no additions or disposals to the company's portfolio during the period. Market conditions in the resource sector were difficult during the year under review but improved post year-end although we have continued to experience moderate levels of volatility due to the onset of the Covid-19 pandemic and the Brexit process which is causing uncertainty in Europe.

African Pioneer continues to proactively manage its portfolio which is mainly made up of high risk early stage small-cap resource stocks which have the potential for considerable upside as demonstrated historically during similar stage of previous resource sector cycles.

The Board is involved in the natural resource space and is actively progressing with the Company's mission to acquire suitable mineral exploration assets in Southern Africa and re-list itself on the LSE with the aim to enhance shareholder returns.

By Order of the Board
17th December 2020

Colin Bird

REPORT OF THE DIRECTORS

The directors present their report on the affairs of African Pioneer Plc (the Company) for the year ended 31 December 2019. The Company was incorporated on 20 July 2012.

The directors who served during the year were:

Mr James Nicholas Cunningham- Davis
Mr Colin Bird
Mr Raju Samtani

PRINCIPAL ACTIVITIES

The main activity during the year of the Company was the identification of investment opportunities in the commodities sector. The directors do not envisage that this activity will change in the foreseeable future. African Pioneer Plc de-listed from ISDX Growth market (formerly the PLUS market) on 30 June 2016 and now operates as a company in the private domain.

The Company faces a number of risks in its planned operations. The process of sourcing and making investments may not be quick, because of the need for the Company to properly understand its target, and to carry out proper due diligence. Suitable projects may well be the target for other investors too, so there are no guarantees that the Company will be successful in its pursuits. Once invested the Company performance is tied entirely to that of its investments. Investing in small natural resource projects and mineral exploration projects can be very rewarding, but because of the issues and uncertainties arising from exploration, resource estimation, commodity price volatility, politics and the financing of such projects, there is a significant possibility of such reward not materialising. As a result of the nature and size of the Company it will, in the early years particularly, be exposed to a concentration of risk either by sector or geographically, or possibly both. These risks were spelt out in more detail in the Admission Document.

To support these activities the Company may use a variety of financial instruments. As and when such instruments are applied the directors will develop suitable policies for their use, and they will be properly described and disclosed in reports to investors.

REVIEW OF THE BUSINESS

During the year, the Company made a loss of £ (55,286) (2018 : loss of £ (100,032)).

The directors do not recommend the payment of a dividend.

REPORT OF THE DIRECTORS (continued)**DIRECTORS' INTERESTS**

The beneficial interest of the directors, their spouses and minor children in the share capital of the Company are as follows:
Ordinary Shares of No Par Value

	31 December 2019	31 December 2018
C Bird	10,617,282	10,617,282
R Samtani	10,617,282	10,617,282
J Cunningham- Davis	-	-

REMUNERATION

The remuneration of the directors has been fixed by the Board as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director at a cost to the Company which reflect current market rates. Details of directors' fees and of payments made for professional services rendered are set out in notes 4 and 5 to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The following shareholders held 3% or more of the issued share capital of the Company at 31 December 2019.

	31 December 2019	31 December 2018
	%	%
Tiger Resource Plc (note 14)	50.75	50.75
Colin Bird	9.05	9.05
McNolan Holding Limited	9.05	9.05
Ronald Bruce Rowan	9.05	9.05
Raju Samtani	9.05	9.05
Pershing Nominees Limited	3.41	3.41

INVESTMENT POLICY

The Company's objective is to make investments in the natural resource sector and the Board sees this as having considerable growth potential in the foreseeable future. Investments will be made for varying amounts but are usually in the £10,000 - £75,000 range. Investments will be made in both large cap resource stocks generating dividends as well as in smaller companies which may not be generating cash flow and often have further requirements to raise additional cash to continue their exploration and development programmes. Therefore, after appropriate due diligence, the Company may provide further funding and make follow-up market purchases to support investments it may have made in the past.

The business is inherently high risk and of a cyclical nature dependent upon fluctuations in world economic activity which impacts on the demand for minerals and oil and gas. Investments held by the Company may sometimes lack share market liquidity even if they are quoted on recognised markets.

Furthermore, during the exploration and development stages of a company, it may sometimes be difficult to fully realise an investment at its quoted market price. However, exploration companies seek to find large economically exploitable resources and if successful may attract third party bids, or otherwise become much larger entities and show greater liquidity in their shares. Accordingly, the Board is unable to give any estimate of the quantum or timing of returns. The Company does not use any external borrowings for the purpose of making investments.

REPORT OF THE DIRECTORS (continued)

AUDITORS

The auditors, Greystone LLC have indicated their willingness to continue in office. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board:

17th December 2020

Colin Bird
Non-Executive Chairman

Raju Samtani
Director

STRATEGIC REPORT

INTRODUCTION

The Directors are pleased to present the Company's Strategic Report. This includes an overview of our strategy, our investment policy, a summary on how the business has performed including our financial position at the year end and the principal risks to which the Company is exposed, as well as comments on future prospects for the business.

African Pioneer Plc is an investment company focused on the resource sector. The Company's mission is to make investments in well-managed and well-researched opportunities mainly in the metals, mining and oil and gas sectors. The company's goal is to be a unique player in the mineral resource and the energy sector through the acquisition of mineral exploration assets in Southern Africa.

STATUS OF THE COMPANY

The Company is an investment company incorporated and domiciled in the Isle of Man with limited liability under the Companies Act, 2006.

As at 31 December 2019, the Company had 117,298,260 Ordinary shares in issue.

OUR STRATEGY

- 1) Implement a clear investment policy to enhance net asset value per share and maximise shareholder returns.
- 2) Make investments across a broad spectrum of companies in the resource sector predominantly in early stage projects but also in some more mature, dividend yielding opportunities representing good value.

REVIEW OF THE BUSINESS

Principal activities:

This report represents the affairs of the African Pioneer Plc (the "Company" or "African Pioneer").

The Company has an objective to invest across a spectrum of resource companies from exploration and early stage development through to production. Investments are usually made in both public and private companies which can demonstrate sound management ability. The Board operates a policy to limit new investments to a maximum of 20% of the Company's net equity funds in any one target at the time of making the investment. Exit strategies are considered by the investment committee prior to making an investment.

The portfolio is actively managed and a degree of technical expertise may be provided to companies. As part of its overall investment strategy, the Company will consider companies that have developed, or are applying new technologies that are becoming available to the resource sector.

Furthermore, the Company continues to target appropriate mineral exploration assets in Southern Africa assets to acquire and subsequently relist itself on the LSE by raising funds from a placing of shares.

STRATEGIC REPORT (continued)**PORTFOLIO HOLDING AT 31 December 2019**

	Number 31/12/19	Cost 31/12/19	Valuation 31/12/19	Valuation 31/12/18	Valuation 31/03/20
Europa Metals Limited (previously Ferrum Crescent Limited)	130,499,858	65,250	26,100	52,200	26,100
Jubilee Metals Group Plc	917,802	34,834	35,794	22,027	22,945
Galileo Resources Plc	2,500,000	50,000	12,500	18,000	6,500
Revelo Resources Corp	1,515,000	53,778	6,614	10,887	6,438
South 32 Limited	13,845	28,509	19,522	25,475	12,530
Xtract Resources Plc	606,060	20,217	5,939	4,121	4,242
TOTAL		252,588	106,469	132,710	78,755

The results for the year are summarised below:

The Company considers its Key Performance Indicator to be its Net Asset Value (NAV).

At year-end, the Company held investments in six companies classified as available-for-sale investments and valued at £106,469 and had a cash balance of £1,576. The Company is able to raise cash at short notice by selling its investments which are liquid.

The net asset value per share as at 31 December 2019 was 0.04p per share (2018 – 0.09p). The fall in the Company's NAV is mainly due to deteriorating share price valuations of junior resource stocks leading up to the close of the 31 December 2019 financial period. The Company continues to face challenges but market conditions have improved in the resource sector during the course of 2019 and the Board expects the Company's NAV to grow in future reporting periods as sentiment improves in the sector.

The Directors have not declared a dividend in the current or prior year.

PRINCIPAL RISKS

This business carries a high level of risk and uncertainty, although the rewards can be outstanding. The key risks are as follows:

- Investment in mining and exploration is inherently speculative, and involves a high degree of financial risk. The exploration and development mineral deposits requires substantial investment and no assurances can be given that the investee companies will be able to raise the entire funding required to fully develop their exploration acreage. Such investment involves a high degree of risk and results cannot be predicted.
- No assurances can be given that minerals will be discovered in economically viable quantities by any of the investee companies, nor that if discovered such reserves can be brought into profitable production. The speculative nature of mineral exploration is such that no assurance can be given that any funds invested in the Company will be recoverable, or that any dividends will be paid on the Company's shares.

STRATEGIC REPORT (continued)**PRINCIPAL RISKS (continued)**

- The Company makes investments in currency other than its reporting currency (Sterling) and there is a risk from exchange rate fluctuations.
- Any investments made by the Company in the natural resource sector may be subject to fluctuations in the value of metals and minerals and changes in commodity prices can make this sector particularly volatile from an investment perspective.
- The market perception of securities related to the mining and exploration sector may change and, accordingly, the value of the ordinary shares and of any investments made by the Company may decline.

The Company mitigates against the above risks by ensuring that its investment portfolio covers a broad spectrum of commodities ranging from base metals to precious metals and in the Oil and Gas sector.

Investments are mainly made in Sterling denominated equities. However, when investments are made in foreign currency stocks, the investment committee assesses the currency risk arising from foreign currency denominated stocks to ensure that it is manageable relative to the overall portfolio. The Company also has a policy ensuring that a buffer of cash and liquid stocks is maintained in the portfolio on an ongoing basis to ensure that there are sufficient liquid resources to meet its liabilities during any downturns in the resource cycle.

Furthermore, a commitment to invest is only made after thorough research into both the management and the business of the target, both of which are closely monitored thereafter. Furthermore, the Company limits the amount of each commitment, both as to the absolute amount and percentage of the target company.

OUTLOOK

Although, recent years have been extremely challenging for the Company's operations, the Board is of the opinion that several investments held by African Pioneer have a broad range of quality projects, backed by competent management and should perform well as market sentiment changes and funding becomes more widely available in the resource sector. The skill, commitment and determination of the Directors will continue to provide us with a solid platform on which to build the business.

Signed on behalf of the Board:

17th December 2020

Colin Bird – Non-Executive Chairman

Raju Samtani – Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- state whether applicable IFRS's have been followed, subject to any material departures disclosed and explained in the financial statements.

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 and Article 4 of the IAS Regulation. 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 confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT**Opinion**

We have audited the financial statements of African Pioneer Plc (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

In our opinion, the financial statements:

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

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements, which shows that current liabilities exceeded current assets by £9,524 at the year end and indicates that that company requires financial support from the parent company to enable the company to continue meeting its liabilities as they fall due for at least 12 months from the date the 2019 balance sheet is signed. The shareholder has confirmed that they will provide such financial support as necessary to the company to enable it to continue meeting its liabilities as they fall due. The company has also issued a convertible loan note in 2020 to raise a further £150,000 to assist the company to continue meeting its liabilities as they fall due. As stated in note 2, these events or conditions along with the other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 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.

INDEPENDENT AUDITOR'S REPORT (continued)**Opinions on other matters**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx> This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (continued)**Use of our report**

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 opinion we have formed.

Greystone LLC
Chartered Accountants & Registered Auditors
Douglas, Isle of Man
17th December 2020

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Income:			
Interest receivable		3	15
Dividend receivable		1,030	754
Realised (loss) on sale of investments		-	(22,050)
Unrealised (loss) on investments		(26,241)	(79,936)
Total Income		(25,208)	(101,217)
Administrative expenses			
Accounting administrative and legal fees		(6,000)	(6,150)
Audit fees	(4)	(2,167)	(2,167)
Directors' fees	(5)	(3,600)	25,605
Management services		(10,800)	(10,800)
Other administration expenses		(3,450)	(3,243)
Interest expense		(4,061)	(2,060)
Total Expense		(30,078)	1,185
OPERATING (LOSS) FOR THE YEAR		(55,286)	(100,032)
Taxation	(12)	-	-
NET (LOSS) FOR THE YEAR		(55,286)	(100,032)
Other comprehensive income:			
Movement in fair value of available-for-sale-financial assets		-	-
Reclassification to profit and loss of available for sale		-	-
Impairment transfer to profit and loss		-	-
Other comprehensive income		-	-
Total comprehensive (loss)		(55,286)	(100,032)
Basic loss per share	(6)	(0.05)	(0.09)

All results are derived from continuing operations.
The notes on pages 18-25 are an integral part of these financial statements.

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

	Share capital £	Capital contribution £	Retained earnings £	Revaluation reserve £	Total equity £
As at 1 January 2018	452,983	-	(384,549)	77,708	146,142
Transfer from revaluation reserve to P&L	-	-	77,708	(77,708)	-
Capital contribution arising on loan from parent company	-	61,446	-	-	61,446
(Loss) for the year	-	-	(100,032)	-	(100,032)
As at 31 December 2018	452,983	61,446	(406,873)	-	107,556
As at 1 January 2019	452,983	61,446	(406,873)	-	107,556
(Loss) for the year	-	-	(55,286)	-	(55,286)
As at 31 December 2019	452,983	61,446	(462,159)	-	52,270

The notes on pages 18-25 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	31 December 2019 £	31 December 2018 £
NON-CURRENT ASSETS			
Available-for-sale investments	(7)	106,469	132,710
Total Non-Current Assets		106,469	132,710
CURRENT ASSETS			
Trade and other receivables	(8)	420	420
Cash and cash equivalents		1,576	23,494
Total Current Assets		1,996	23,914
TOTAL ASSETS		108,465	156,624
CURRENT LIABILITIES			
Trade and other payables	(9)	(11,520)	(8,454)
Total Current Liabilities		(11,520)	(8,454)
NET CURRENT (LIABILITIES) / ASSETS		(9,524)	15,460
NON-CURRENT LIABILITIES			
Loans	(10)	(44,675)	(40,614)
Total Non-Current Liabilities		(44,675)	(40,614)
TOTAL LIABILITIES		(56,195)	(49,068)
NET ASSETS		52,270	107,556
EQUITY			
Share capital	(11)	452,983	452,983
Capital contribution		61,446	61,446
Retained earnings		(462,159)	(406,873)
TOTAL EQUITY		52,270	107,556

The notes on pages 18-25 are an integral part of these financial statements.

The financial statements of African Pioneer Plc (registered number 008591V) were approved by the board on 17th December 2020 and signed on its behalf by:

C Bird
 Non-Executive Chairman

R Samtani
 Director

STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 £
CASH FLOW FROM OPERATIONS		
(Loss) before taxation	(55,286)	(100,032)
Adjustments for:		
Interest received	(3)	(15)
Dividends received	(1,030)	(754)
Loss on disposal	-	22,050
Unrealised loss on investments	26,241	79,936
Interest expense	4,061	2,060
Operating (loss)/profit before movements in working capital	(26,017)	3,245
Increase in receivables	-	-
Increase/(decrease) in payables	3,066	(128,088)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(22,951)	(124,843)
TAXATION PAID	-	-
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	3	15
Dividends received	1,030	754
Investments purchased	-	(26,507)
Investments sold	-	54,607
NET CASH INFLOW FROM INVESTING ACTIVITIES	1,033	28,869
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital issued	-	-
Loan from parent company	-	100,000
NET CASH INFLOW FROM FINANCING ACTIVITIES	-	100,000
Net (decrease)/increase in cash and cash equivalents in the period	(21,918)	4,026
Cash and cash equivalents at the beginning of the period	23,494	19,468
Cash and cash equivalents at the end of the period	1,576	23,494

The notes on pages 18-25 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****1. REPORTING ENTITY**

African Pioneer Plc is an investment company incorporated under the Companies Act 2006 of the Isle of Man on 20 July 2012 as a Public Company limited by shares. The Board approved these statements on 17th December 2020.

The Company's objective is to achieve long term capital appreciation through direct or indirect investment in equity, equity-related and fixed income securities of private companies operating in the natural resources sector.

All significant functions are performed by the Company's agents. Accordingly, the Company itself has no employees except its directors.

2. ACCOUNTING POLICIES**Basis of preparation**

The financial statements have been prepared under the historical cost convention except for the measurement of certain non-current asset investments at fair value. The measurement basis and principal accounting policies of the Company are set out below. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

Going concern

At the year end the company's current liabilities exceed current assets by £9,524 with the company dependent on the continued financial support from Tiger Resource Plc (the ultimate parent company, note 14), to enable it to continue operating and to meet its liabilities as they fall due.

After the balance sheet date, the company has also issued interest free, unsecured, convertible loan notes to Sanderson Capital Partners for an aggregate value of £150,000. The notes will automatically convert into fully paid ordinary shares at the conversion price of 1.75 pence per share on the successful listing of the company and admission of the ordinary shares onto a recognised stock exchange.

For these reasons, the directors continue to adopt the going concern basis in producing the financial statements. Should this financial support not be available, the going concern basis would be inappropriate and adjustments would have to be made to revise the value of assets to their net realisable amounts and to provide for any further liabilities which might arise.

Valuation of investments

The Group has adopted the provisions of IFRS9 from 1 January 2018. Upon adopting IFRS9, the company has elected to treat all available for sale investments at fair value with changes through the profit and loss. This differs to the previous policy under IAS39 of recognising changes in fair value in Other Comprehensive Income unless the investment was considered impaired, at which point the impairment was charged to the profit and loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****2. ACCOUNTING POLICIES (continued)****Valuation of investments (continued)**

The group has elected not to restate prior year as permitted under the IFRS9 transitional arrangements, and adjustments as a result of the adoption have been made to the opening reserves position. The effect of the adjustments can be seen in the Statement of Changes in Equity and adoption of IFRS9 has had the effect of combining the available for sale reserve with retained earnings.

The adoption of IFRS9 has not impacted earnings per share or net assets per share.

Available-for-sale investments under both IFRS9 and IAS39 are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IFRS 13. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

All gains and losses are taken directly to profit and loss. Before adoption of IFRS 9 gains and losses on available-for-sale investments were recognised in other comprehensive income and accumulated in the available-for-sale assets reserve except for impairment losses, until the assets are derecognised, at which time the cumulative gains and losses previously recognised in other comprehensive income are recognised in profit or loss.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Fair value of financial assets

Establishing the fair value of financial assets may involve inputs other than quoted prices.

Impairment of financial assets

Determining whether the decline in the fair value of a financial asset constitutes an impairment and, as regards “available-for-sale” financial assets, whether that cumulative decline should therefore be reclassified to profit and loss is inherently subjective. The Group applies a quantitate threshold of a 20% decline in fair value against cost as being a key determinant in establishing whether an asset is impaired. On the balance sheet date there were no material available for sale investments where the carrying value was below cost but the decline had been treated as a temporary fall rather than an impairment through profit and loss.

Functional and presentational currency

The presentation and functional currency of the Company is Sterling. There have been no foreign currency effects in the period.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the statement of comprehensive income except for expenses incurred on the acquisition of an investment, which are included within the cost of that investment, expenses arising on the disposal of investments are deducted from the disposal proceeds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****2. ACCOUNTING POLICIES (continued)****Cash and cash equivalents**

This consists of cash held in the Company's bank account.

Financial liabilities

The Company has financial liabilities consisting of trade payables and accrued expenses which are non-derivative financial liabilities recognised at amortised cost.

Taxation

The Company is subject to taxation in the Isle of Man in the period at a rate of 0% and accordingly, interest and gains payable to the Company are received by the Company without any deduction relating to Isle of Man taxed.

Earnings per share

The earnings per share are calculated by dividing the net result attributed to the equity shareholders by the weighted average number of participating shares in issue in the period.

Geographical segments

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. The internal management reporting used by the chief operating decision maker consists of one segment. Hence in the opinion of the directors, no separate disclosures are required under IFRS 8. The Company's revenue in the year is not material and consequently no geographical segment information has been disclosed.

3. FINANCIAL RISK MANAGEMENT

The Company's objective is to achieve capital growth through investing in selection of equity and other instruments. The Company's financial instruments comprise:

- Available-for-sale investments
- Cash, short-term receivables and payables

Throughout the period under review, it was the Company's policy that no trading in derivatives shall be undertaken. The main financial risks arising from the Company's financial instruments are market price risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained constant throughout the period.

Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. There are no foreign currency exposures, hence, no foreign currency risk. It is the Board's policy to maintain an appropriate spread of investments in the portfolio whilst maintaining the investment policy and aims of the Company. The Investment Committee actively monitors market prices and other relevant information throughout the year and reports to the Board, who is ultimately responsible for the Company's investment policy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

3. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Changes in interest rates would affect the Company returns from its cash balances. A floating rate of interest, which is linked to bank base rates, is earned on cash deposits. The exposure to cash flow interest rate risk at 31 December 2019 for the Company was £1,576 (2018: £23,494). As the Company does not have any borrowings and finances its operations through its share capital and retained revenues, it does not have any interest rate risk except in relation to cash balances.

Other price risk

Other price risk which comprises changes in market prices other than those arising from interest rate risk or currency risk may affect the value of quoted and unquoted equity investments. The Board of directors manages the market price risks inherent in the investment portfolio by regularly monitoring price movements and other relevant market information. The Company accounts for movements in the fair value of its available-for-sale financial assets in other comprehensive income. A 5% change in prices of investments would result in increase/(decrease) of £5,323 in value of investments (2018: £6,636).

Liquidity risk

The Company maintains appropriate cash reserves and the majority of the Company's assets comprise of realisable securities, most of which can be sold to meet funding requirements, if necessary. Given the Company's cash reserves, it has been able to settle all liabilities on average within 1 month.

Credit risk

The risk of counterparty's failure to discharge its obligations under a transaction that could result in the Company suffering a loss is minimal. The Company holds its cash balances with a reputable bank and only transacts with regulated institutions on normal market terms.

The credit rating bands are provided by independent ratings agencies:

As at 31 December 2019	Not rated /not readily available	Total
Cash and cash equivalents	1,576	1,576
Total assets subject to credit risk	1,576	1,576
As at 31 December 2018	Not rated /not readily available	Total
Cash and cash equivalents	23,494	23,494
Total assets subject to credit risk	23,494	23,494

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

3. FINANCIAL RISK MANAGEMENT (continued)

Financial liabilities

There are no currency or interest rate risk exposures on financial liabilities as they are denominated in £ Sterling.

Capital management

The Company actively reviews its issued share capital and reserves and manages its capital requirements in order to maintain an efficient overall financing structure whilst avoiding any leverage.

4. AUDITOR'S REMUNERATION

	31 December 2019	31 December 2018
	£	£
Auditor's remuneration		
- Audit of the financial statements of the Company	2,167	2,167

5. DIRECTORS' EMOLUMENTS

Other than directors, there were no employees in the year.

	31 December 2019	31 December 2018
	£	£
Colin Bird	-	(14,340)
Raju Samtani	-	(14,865)
James Cunningham- Davis	3,600	3,600
Total	3,600	(25,605)

Colin Bird and Raju Samtani did not receive any remuneration in the year ended 31 December 2019.

6. EARNINGS PER SHARE

	31 December 2019	31 December 2018
(Loss) after tax for the purposes of earnings per share attributable to equity shareholders	£ (55,286)	£ (100,032)
Weighted average number of shares	117,298,260	117,298,260
Basic loss per ordinary share	(0.05) p	(0.09) p

The use of the weighted average number of shares in issue in the period recognises the variations in the number of shares throughout the period and is in accordance with IAS 33. In addition to the above the Company has issued warrants which could result in an additional 350,000 shares being issued. A diluted Earnings per Share calculation has not been presented because the inclusion of these potential shares would slightly decrease the loss per share, and as such they are not dilutive.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

7. AVAILABLE FOR SALE INVESTMENTS

	31 December 2019	31 December 2018
	£	£
Investments at fair value at 1 January	132,710	262,796
Additions	-	26,507
Disposals	-	(54,730)
Movements in fair value	(26,241)	(101,863)
Investments at fair value at 31 December	106,469	132,710

The book cost of the investments at 31 December 2019 was £252,588 (2018: £252,588).

8. TRADE AND OTHER RECEIVABLES

	31 December 2019	31 December 2018
	£	£
Prepayments	420	420
Total	420	420

9. TRADE AND OTHER PAYABLES

	31 December 2019	31 December 2018
	£	£
Creditors	5,020	4,121
Accrued expenses	6,500	4,333
Total	11,520	8,454

10. LOANS

	31 December 2019	31 December 2018
	£	£
Loan due to parent company	44,675	40,614
Total	44,675	40,614

As at 31 December 2019 the company owed £100,000 (2018: £100,000) to Tiger Resource Plc, the ultimate parent company (note 14). This amount is unsecured, interest free and is repayable at such time as the company has cash balances which enable it to make payments, and in any event, on 20 June 2028.

IFRS 9 requires that loans provided or received at below market rates of interest be measured at the present value of the future cash receipts or payments discounted at a market rate of interest for a similar debt instrument. The amount due to the ultimate parent company was discounted to net present value using the effective interest method and the directors have determined the company's effective interest rate to be 10%.

The discount was treated as a capital contribution from the parent company. The initial discounting is unwound to profit and loss as an interest expense over the remaining life of the loan.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

11. CALLED UP SHARE CAPITAL

The share capital of African Pioneer Plc consists only of fully paid ordinary shares with no par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

	<u>2019</u>	
	Number	£
Authorised: 500,000,000 ordinary shares of no par value	500,000,000	n/a
Shares in issue at 1 January and 31 December 2019	117,298,260	452,983

There were no shares issued during the year ended 31 December 2019.

12. TAXATION

The Company is subject to Isle of Man income tax at 0%, has suffered no taxation in other jurisdictions, and has no capital allowances or deferred tax implications. Accordingly, the Directors have made no provision for taxation charges or liabilities and have not presented the formal reconciliation required under IAS 12.

13. RELATED PARTY TRANSACTIONS

- (1) Cavendish Trust Company Limited (CTC) provides company administration and secretarial services to the Company on normal commercial terms as part of their normal business activity. As such it is not normally treated as a related party. Fees paid to CTC during the year include £3,600 (2018: £3,600), relating to director's fees for the services of J. Cunningham-Davis, a director of CTC. At the year-end a balance of £900 (2018: £900), was outstanding.
- (2) Lion Mining Finance Limited, a company in which Colin Bird is director and shareholder, has provided financial and technical services to the Company amounting to £9,000 plus VAT in the year (2018 - £9,000 plus VAT). At the year-end a balance of £900 (2018: £900) was outstanding. The Board considers this transaction to be on normal commercial terms and on an arm's length basis.
- (3) During 2018, the company entered into a loan agreement with its parent company, Tiger Resource Plc to borrow £100,000. The amount was paid directly to its directors (£50,000 each to Raju Samtani and Colin Bird). See note 10 for the terms of the loan.

14. CONTROLLING PARTY

As disclosed in the Directors' Report, Tiger Resource Plc (a United Kingdom AIM listed company) holds 50.75% of the shares in issue, and as such is the ultimate controlling party and immediate parent of the Company. Consolidated financial statements for the parent are available at www.tiger-rf.com. On 23 July 2020, the parent company changed its name from Tiger Resource Plc to Tiger Royalties and Investments Plc.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****15. POST BALANCE SHEET EVENTS**

On January 30, 2020, the World Health Organization declared the COVID-19 (Coronavirus) outbreak a “Public Health Emergency of International Concern.” There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change. We do not yet know the full extent of potential impacts on the Company or the global economy as a whole, however given the fast moving development, the Directors have given further consideration to “Going Concern”.