



Annual Report and Accounts
– 2018 –

The Directors of ECR Minerals plc (the "Directors" or the "Board") present their report and audited financial statements for the year ended 30 September 2018 for ECR Minerals plc ("ECR", the "Company" or the "Parent Company") and on a consolidated basis (the "Group")

CONTENTS

Chairman's Statement

Over the past year, ECR has continued to advance and augment its portfolio of gold exploration projects in Australia, which is one of the world's principal gold producers and one of the foremost destinations for global mining investment.

During the financial year ended 30 September 2018 and since the year-end the Company's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd ("MGA") has carried out extensive exploration work in the state of Victoria, with drilling completed at two prospects in the Avoca gold project area during calendar year 2018, followed by drilling at the Creswick gold project in February 2019, and at the Blue Moon and Black Cat prospects in the Bailieston gold project area later the same month. The results of these programmes are discussed in the Chief Executive Officer's report, to the extent which they are available. I am pleased to note that drilling results announced to date have included some significant intercepts at Blue Moon, the most exciting being 2 metres at 17.87 g/t gold from 57 metres downhole in BBM007, within a zone of 15 metres at 3.81 g/t gold from 51 metres.

In late 2018, the Group moved into another world-class Australian gold province, the Yilgarn Craton in Western Australia. MGA has made nine exploration licence applications over a 1,600 square kilometre land package which has been identified as a potential greenstone-hosted orogenic gold exploration opportunity with significant potential to contain Archaean greenstones buried beneath Permian cover sequences of the Canning Basin.

Importantly, ECR is moving forward from a position of financial strength, having raised £1.35 million (before costs) during calendar year 2018, and with the potential for more than £2 million of further funding to come into the Company through the exercise of warrants issued to investors as part of those fundraisings.

I would like to welcome Sam Garrett to the Board as a non-executive director. Mr Garrett, who is a resident of Australia, holds a Bachelor of Science degree with First Class Honours in Geology and a Master of Economic Geology degree, both from the University of Tasmania. He also holds a Master of Applied Finance degree from Macquarie University in Australia. Mr Garrett has over 30 years of exploration management, project assessment and operational experience working for large multi-national and junior mining and exploration companies in ten countries including Australia, Argentina and the Philippines. I am sure that Sam has a valuable contribution to make as a director of ECR.

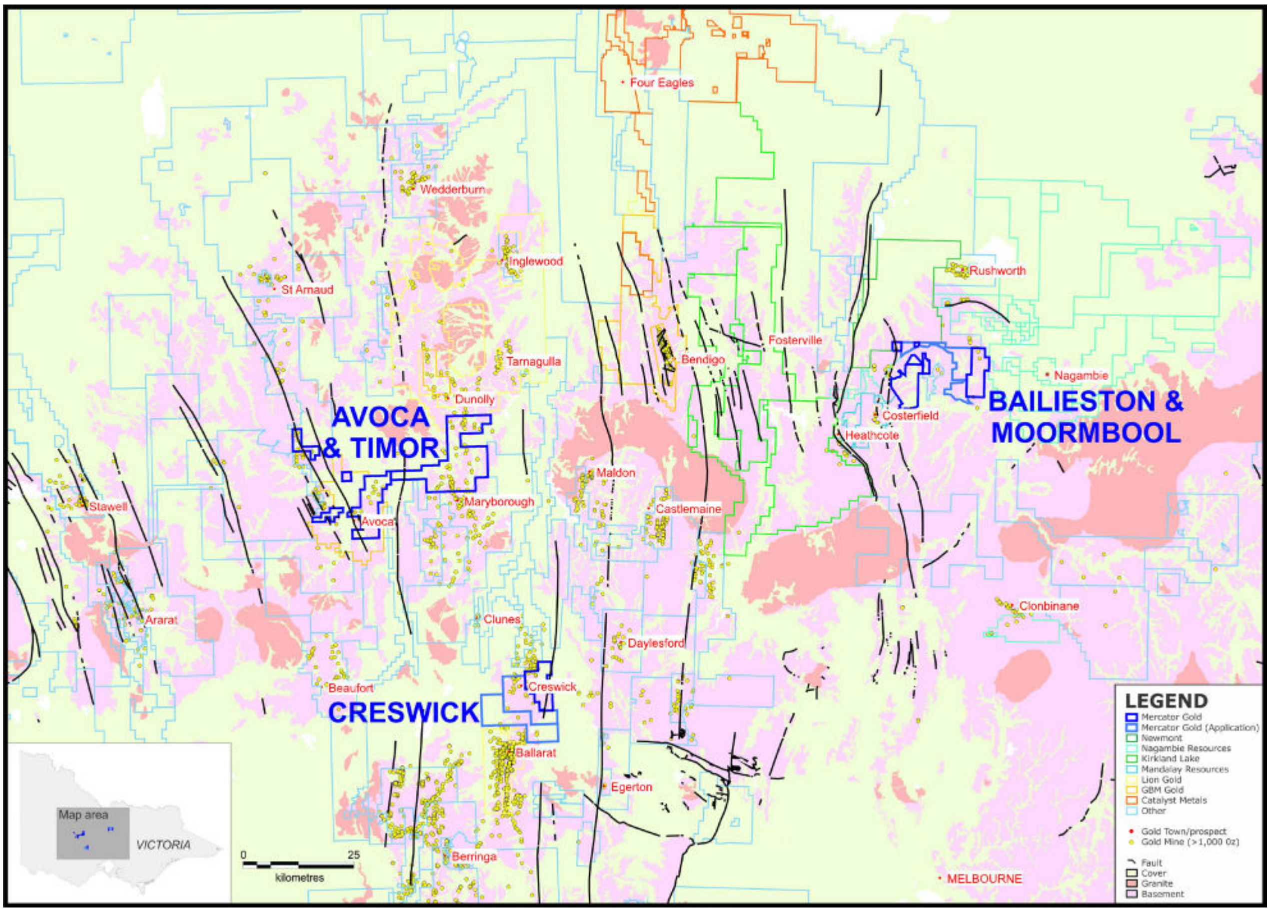
Christian Dennis resigned as a non-executive director of the Company in July 2018, to focus on his other business interests. The Board would like to thank Christian for his service as a director of ECR and wish him well for the future.

Pleasingly, the gold price has made a healthy start to 2019 by returning to levels in excess of USD 1,300 per troy ounce, and we are hopeful that macroeconomic conditions will see the price rise further in the near future. Regardless, the Board remains confident in ECR's strategic objective of discovering a multi-million ounce gold deposit, and we look forward to reporting further progress towards this goal.

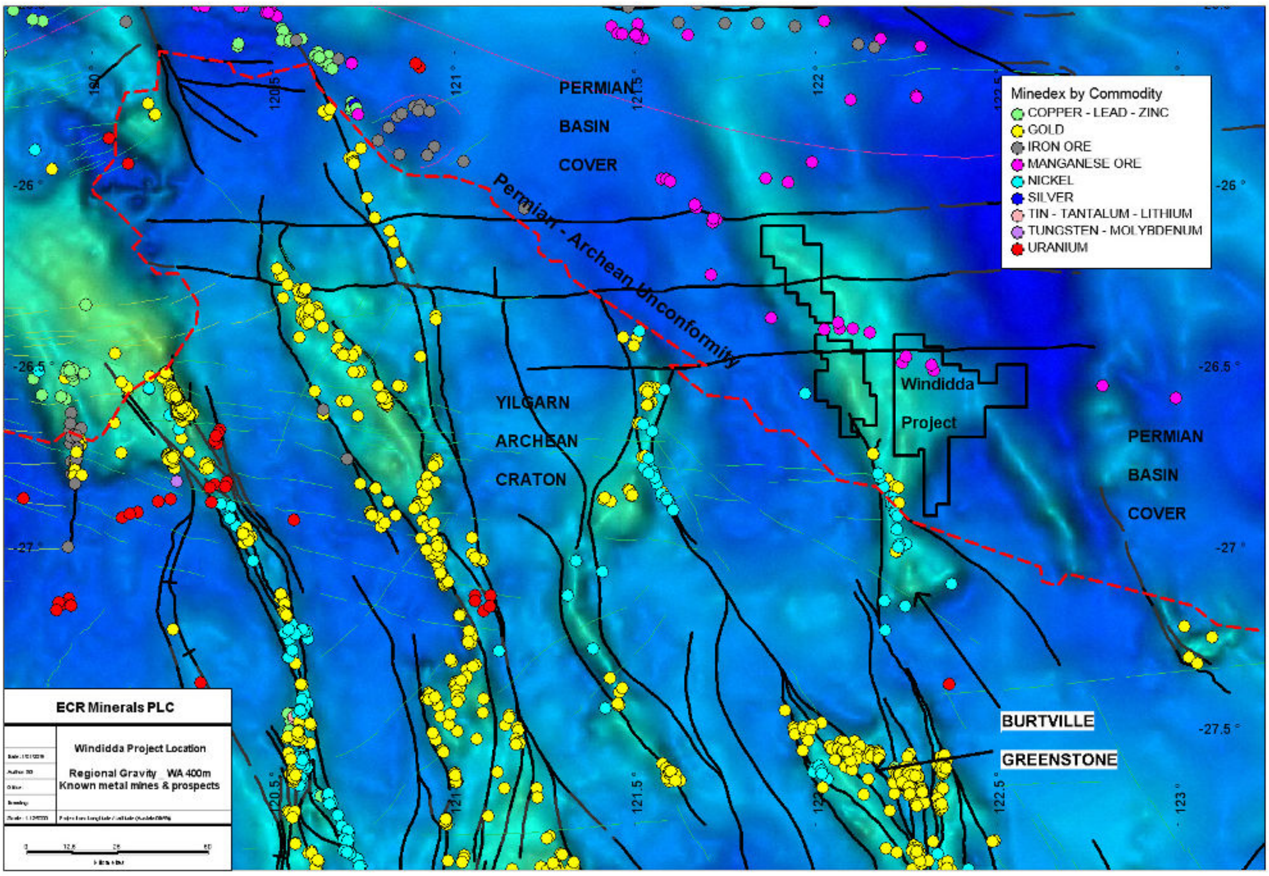
Weili (David) Tang

Chairman

28 March 2019



Current tenement position of ECR's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd in the state of Victoria, Australia.



Location of exploration licences applied for in Western Australia by ECR's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd, comprising the Windidda project.

Chief Executive Officer's Report

The Group's concentration on gold exploration in the state of Victoria, Australia, continued apace during the year, as did the exploration boom across the Victorian gold province as a whole. The latter has been driven in large part by the success story which has unfolded at the Fosterville gold mine, which produced more than 350,000 ounces of gold in 2018 and is firmly established as Victoria's largest gold producer.

At the same time, we have expanded our footprint to Western Australia by applying for a package of nine exploration licences in the Yilgarn Craton, which comprise the Windidda gold project, and maintained our presence in Argentina at the SLM gold project in La Rioja Province.

We are also continuously evaluating potential new opportunities and will engage with those, such as the Windidda project, that we determine may have the potential to enable the achievement of ECR's primary strategic objective, which is to generate value for shareholders through the discovery of a multi-million ounce gold deposit.

By convention, much of this Chief Executive Officer's Report relates to activities which have taken place after 30 September 2018. Diamond drilling at the Bung Bong, Monte Christo and Blue Moon prospects was completed prior to the year-end, as was rock-chip sampling in the Byron and Cherry Tree areas. Reverse circulation (RC) drilling at Blue Moon and the Creswick project and rotary air blast (RAB) drilling at the Black Cat prospect has taken place in the current financial year.

GOLD EXPLORATION IN VICTORIA, AUSTRALIA

In Victoria, ECR's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd ("MGA") has 100% ownership of six exploration licences: Avoca (EL5387), Bailieston (EL5433), Creswick (EL006184), Moormbool (EL006280 and EL006913) and Timor (EL006278).

MGA has pending applications for four further exploration licences, two south and south west of the existing licence at Creswick; and two others in the vicinity of the Bailieston and Moormbool project areas, to secure available ground south and south east of a licence applied for by Newmont Exploration Pty Ltd.

In early February 2019, MGA commenced a reverse circulation (RC) drilling programme at Creswick, which was followed by a second RC programme at the Blue Moon prospect in the Bailieston gold project area. In parallel, a rotary air blast (RAB) programme was carried out at the Black Cat prospect, which is also within the Bailieston gold project area.

The Company announced assay results in respect of three holes drilled at Blue Moon on 14 March 2019, with results from a further nine holes expected to be announced soon. Assay results from drilling at Black Cat and Creswick are also expected to be announced in the near future. From the announced Blue Moon results, significant intersections included 2 metres at 17.87 g/t gold from 57 metres down hole in BBM007, within a zone of 15 metres at 3.81 g/t gold from 51 metres.

Bailieston Gold Project - EL5433

The Bailieston project is at the epicentre of the current gold exploration boom in Victoria, being located close to the highly successful Fosterville mine owned by Kirkland Lake Gold. This point is underlined by the arrival of Newmont Exploration in the district with an application for ground immediately to the north of the Black Cat prospect.

Blue Moon Prospect

The focus of activities in the Bailieston project area for the past year has been the Blue Moon prospect. This was identified as a high priority prospect in early 2018 when Dr Rodney Boucher, an experienced Victorian gold geologist, commenced a review of all available data on MGA's exploration licences (at that time numbering four licences), complemented by geological mapping and geochemical surveys in selected areas. The purpose of this work was to help define targets for a diamond drilling programme extending across a number of MGA's prospects.

The geochemical surveys utilised a portable XRF to delineate proxy minerals associated with gold. An arsenic-anomalous zone up to 40 metres wide and more than 200 metres long was identified at Blue Moon, and previous work showed anomalism over a further 150 metres to the west. Previous rock chip samples included results of 12.1, 10.1 and 7.0 g/t gold, and previous soil surveys identified gold to 5.0 g/t.

The diamond drilling at Blue Moon was intended to test the arsenic and antimony anomalies identified by the soil geochemical survey completed by MGA in early 2018. Positive results from the drilling were announced in July 2018.

Diamond drill holes BBM001 and BBM002 were designed to establish the dip of the host sandstones and assess the potential for gold mineralisation. Intercepts of 5.45 metres at 0.12 g/t gold from 33.95 metres and 10.0 metres at 0.16 g/t Au from 43.8 metres were obtained in BBM001 and BBM002, respectively. Upon drilling faulted, stockworked sandstone in the first two holes, BBM003 was drilled down dip to test the nature of the cross-cutting faults and veins and to obtain a large number of samples for analysis. An intercept of 39.5 metres at 0.3 g/t gold from 24.2 metres, including 2.7 metres at 1.12 g/t gold from 60 metres, was obtained in BBM003. Intersections given in this paragraph are apparent width.

The gold mineralisation intersected is hosted in an approximately 5.5 metre wide medium-grained sandstone within a thick bioturbated shale. Diorite sills have intruded along the margins of the sandstone. The sandstone is metamorphosed to quartzite and the brittle host showed stockwork vein development in each of the three holes. Small iron-oxide pseudomorphs thought to be of arsenopyrite and pyrite were disseminated throughout the quartzite. Deep weathering of the sandstone meant that no samples of fresh rock could be obtained from the diamond drill holes to verify the minerals.

The high repeatability of the assay results from MGA's diamond drilling at Blue Moon supports the hypothesis that the prospect is a disseminated gold occurrence comparable to some of the mineralisation exploited at the Fosterville mine approximately 50km away.

Given the deep weathering and the potential for gold depletion in the oxidised sulphides, it was considered possible that higher grades would be encountered at depth in the fresh (un-weathered) rock. Obtaining samples from fresh rock was a key objective of the drilling completed at Blue Moon in February 2019.

The twelve reverse circulation (RC) holes (BBM004-15) completed at Blue Moon by MGA aimed to intercept the sandstone on 50 metre spacing across three sections and to gain samples from beneath the oxide zone.

Assay results have been announced for holes BBM007, BBM006 and BBM004, and have shown both high grade intervals and significant widths of anomalous gold grades. As well as 2 metres at 17.87 g/t gold from 57 metres down hole in BBM007, within a zone of 15 metres at 3.81 g/t gold from 51 metres, an intersection of 3 metres at 3.88 g/t gold from 170 metres down hole within a zone of 11 metres at 2.42 g/t gold from 169 metres in hole BBM006 has been announced. Intersections given in this paragraph are apparent width.

These results indicate that a high grade zone exists within the target sandstone host. Further drill results and interpretation will be required to understand any concentration of mineralisation within shoots.

The base of the oxide zone was at 64 metres in BBM007 within the host sandstone. Visible gold was seen in three samples (3 metres at 13.4 g/t gold from 57-60 metres) and it is possible these are elevated gold values as a result of supergene enrichment close to the base of the oxide zone. BBM004 & 6 intercepted the host sandstone beneath the oxide zone. Logging recorded estimates of up to 4% pyrite and 2% arsenopyrite with minor quartz. No visible gold was seen in these samples.

In addition to Blue Moon, two further prospects with similar characteristics at surface, namely anomalous arsenic and broad areas of quartz float, have been identified within an approximately 3km radius. MGA will be further assessing these prospects, referred to as Red Moon and Yellow Moon, in the months to come.

Black Cat Prospect

Black Cat is among the high priority targets identified by the geophysical interpretation and targeting study completed for MGA by Terra Resources in late 2017 and has not been previously drilled. The prospect is immediately south of ground recently applied for by Newmont Exploration and contains 220 metres of historical workings along three known lines of quartz reef. Strong gold-in-soil anomalism in some areas indicates unworked reefs may remain to be discovered, and rock chip sampling of quartz-poor material indicates potential for disseminated gold. Rock chip samples at Black Cat have returned encouraging grades up to 11.3 g/t gold.

Rotary air blast (RAB) drilling is a low cost method well suited to the first pass testing required at Black Cat, and a 450 metre RAB programme commenced in February 2019.

Other Prospects at Bailieston

Away from Black Cat and the 'Moon' prospects, exploration work at Bailieston included 151 surface rock chip samples to help assess targets in the Byron and Cherry Tree areas, which contain numerous northwest trending quartz reefs, including the Byron, Scoulars and Maori reefs that were drilled by MGA in 2017. Of these samples, 51 returned gold grades in excess of 0.5 g/t, with the highest being 67.4 g/t. Of the high grade samples, 26 were re-assayed in accordance with common QA/QC practice, and the repeat assays demonstrated good consistency with the first round of assays.

Creswick Gold Project - EL006184

The Creswick project targets gold mineralisation hosted within the Dimocks Main Shale (DMS), which extends over a 15km trend from the mining centre of Ballarat to the south, approximately 7km of which is covered by EL006184 and MGA's two exploration licence applications. In the project area, the DMS is an approximately 25 metre wide shale containing bedding and cleavage-parallel auriferous quartz veins. Only two holes have previously been drilled to test the DMS within EL006184, both in the 1990s. The results of this drilling included an intercept of 2 metres at 12.28 g/t gold. The best previous drill intercept into the DMS elsewhere is 2 metres at 176 g/t gold.

Avoca Gold Project - EL5387

MGA drill-tested two gold prospects in the Avoca project area in April and May 2018, also following Dr Boucher's data review, mapping and geochemical surveying. Five holes were completed at the Bung Bong prospect using a diamond core rig. Thereafter, the rig moved to the Monte Christo prospect, where two holes were drilled. Assay results were announced in early June 2018.

All five holes at Bung Bong and the two holes at Monte Christo fulfilled their intended purpose, which was to test the structural architecture of the target areas. The holes were the first ever drilled at both Bung Bong and Monte Christo, and gold mineralisation was intersected at both prospects, although no high-grade shoots were encountered.

WESTERN AUSTRALIA

Windidda Gold Project

In December 2018, MGA submitted nine contiguous exploration licence applications covering a 1,600 square kilometre package of ground prospective for gold mineralisation in the Yilgarn region of Western Australia, east of the town of Wiluna. The application package is to be known as the Windidda gold project.

Archaean greenstones host many of Western Australia and the world's most prolific gold deposits, and the Windidda applications cover a significant proportion of an identified gravity-magnetic trend with known gold prospects along trend in outcropping greenstone to the south (outside the application areas).

The under-cover greenstone gold exploration model has been successfully tested by Greatland Gold (LON:GGP) at its Ernest Giles project located approximately 125km east of the Windidda project.

Previous exploration within the Windidda project area has targeted base metal and manganese deposits within the cover sequences. Gravity and magnetic anomalies interpreted to be hosted in greenstone units beneath the cover have not been targeted. These targets are expected to be amenable to aircore drilling to enable rapid assessment of potential for gold mineralisation, after the exploration licences are granted.

Iceberg Gold Project

The Company secured an option over the Iceberg project in Western Australia in August 2018, but after completing its due diligence, elected not to proceed with the acquisition.

FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

For the year to 30 September 2018 the Group recorded a total comprehensive expense of £721,460, compared with £562,649 for the year to 30 September 2018.

The largest contributor to the total comprehensive expense was the line item "other administrative expenses", which represents the costs of operating the Group and carrying out exploration at its projects, where these costs are ineligible for capitalisation under applicable accounting standards.

The Group's net assets at 30 September 2018 were £3,651,545, in comparison with £3,735,225 at 30 September 2017. The decrease is due to increased exploration assets as a result of the capitalisation of exploration expenditure during the year being offset by a reduction in cash and cash equivalents.

Craig Brown
Chief Executive Officer

28 March 2019

Directors' Biographies

Weili (David) Tang
Non-Executive Chairman
(aged 53)
David Tang was previously the President of China Nonferrous Metals Int'l Mining Co., Ltd. (CNMIM) and the Managing Director of China Nonferrous Gold Ltd, an AIM-listed company which was formerly known as Kryso Resources plc. China Nonferrous Gold is focused on the Pakrut gold mine in Tajikistan, where first gold was poured in 2015. Mr Tang has previously served as a director to several companies involved in mining or exploration in Africa, South East Asia and Australia. Mr Tang graduated with a Bachelor of Science degree (1988) majoring in computer science from Central-South University, China and also holds a Master of Science degree (1991). In the 1990s, he pioneered the trading system for the first nonferrous metals futures exchange in China. He worked for several years in Canada in investment management and consulting, before returning to China to take up office at CNMIM in 2003.

Craig William Brown
Director and Chief Executive Officer
(aged 48)
Craig Brown was appointed as ECR's Finance Director in May 2016 before becoming Chief Executive Officer in September 2016. Previously, he was a founding shareholder of Kryso Resources plc, now known as China Nonferrous Gold Ltd. Mr Brown acted as Finance Director and Company Secretary of Kryso before becoming Managing Director in 2010 and stepping down from the board in September 2013. During this period, Kryso/CNG delineated a 5 million ounce JORC Mineral Resource at the Pakrut gold project in Tajikistan, completed a bankable feasibility study for the project, obtained debt and equity finance for mine development, and commenced construction of the mine and infrastructure. Prior to his roles with Kryso/CNG, Mr Brown held positions with Gulf International Minerals Ltd and Nelson Gold Ltd, both of which also successfully put gold mines into production during his tenure.

Samuel James Melville Garrett
Non-Executive Director
(aged 52)
Mr Garrett holds a Bachelor of Science degree with First Class Honours in Geology and a Master of Economic Geology degree, both from the University of Tasmania. He also holds a Master of Applied Finance degree from Macquarie University in Australia. Mr Garrett has 30 years of exploration management, project assessment and operational experience working for large multi-national and junior mining and exploration companies in ten countries including Australia, Argentina and the Philippines.

Strategic Report

The Directors of the Company present their Strategic Report for the year ended 30 September 2018.

Principal Activities

The principal activity of the Group is the identification, acquisition, exploration and development of mineral projects. The principal activity of the Company is that of a holding company for its subsidiaries and other investments, although project development activities may also be undertaken directly. Whilst the Group's historical focus has been on gold, as is its current focus, it also considers opportunities in other mineral commodities.

The main current area of activity is Central Victoria, Australia, and the Group continues to review potential new projects on a highly selective basis, with a concentration on precious, base and strategic metals.

Organisation Review

The Company is incorporated in England but operates in other countries through foreign subsidiaries and contractual arrangements. Craig Brown, Director & Chief Executive Officer is based in the United Kingdom while Weili Tang, Non-Executive Chairman, is based in the People's Republic of China (PRC), and Samuel Garrett, Non-Executive Director, is based in Australia. The corporate structure of the Group reflects its present and historical activities and the requirement, where appropriate, to have incorporated entities in particular countries.

The Group's exploration activity in Argentina, which in physical terms ceased in 2015 and resumed in 2017, has been undertaken through an Argentinian wholly owned subsidiary, Ochre Mining SA. There are two dormant subsidiaries, both registered in the USA, which relate to past projects.

The Company has a wholly owned Australian subsidiary named Mercator Gold Australia Pty Ltd ("MGA"), which was released from external administration in December 2014. MGA has accumulated substantial tax losses from its past trading, and is therefore a suitable vehicle for any future profit generative activities of the Group in Australia.

The Group's activities in the Philippines, which ceased in 2016, were undertaken under the auspices of an earn-in and joint venture agreement. Further details of the Group's interests in Argentina and the Philippines can be found under "Operating Review" below.

The Directors aim to ensure that the Group operates with as low a cost base as is practical in order to maximise the amount spent on mineral exploration and development, in which activities the expertise and experience of the Directors and consultants of the Group are employed to add value to the Group's projects. The Company has three male Directors, one of whom is an employee, and two other employees. The services of various consultants are utilised to meet the needs of the Group in respect of technical and other activities.

The Group's activities are financed through periodic capital raisings, principally through the placement of the Company's ordinary shares. As the Group's projects become more advanced, other forms of finance appropriate to the stage of development and potential of each project may be considered.

Financial & Performance Review

The Group's ongoing activities are solely in mineral exploration and development. It is not in production at any of its current projects and hence has no income.

For the year to 30 September 2018 the Group recorded a total comprehensive expense attributable to shareholders of the Company of £721,460, compared with £562,649 for the year to 30 September 2017. In both 2017 and 2018, the largest contributor to the total comprehensive expense was the line item "other administrative expenses", which represents the costs of operating the Group and carrying out exploration at its projects, where these costs are ineligible for capitalisation under applicable accounting standards. The Group's net assets as at 30 September 2018 were £3,651,545, in comparison with £3,735,225 at 30 September 2017.

Exploration activity took place in Central Victoria, Australia during the year to 30 September 2018, as discussed in the Chief Executive Officer's Report and later under "Operating Review". Capitalised exploration assets are valued in the Consolidated Statement of Financial Position at cost; this value should not be confused with the realisable value of the relevant projects or be considered to determine the value accorded to the projects by the stock market, which in both cases may be considerably different.

Strategy and Business Model

The Group's strategy is to locate and acquire mineral projects which show good prospects. The Directors select these projects after a thorough and critical appraisal. This is needed as in general, across the industry as a whole, the percentage of mineral exploration and development projects which go on to become fully operational and producing mines is relatively low.

After acquiring an interest in a project, the strategy is then to leverage the Group's commercial experience and access to technical expertise to explore and further develop the project, and in doing so to create value for the benefit of the Company's shareholders. Decisions can then be made at appropriate times as to whether to continue the project into production, enter into a joint venture with another company, or sell the project outright.

Where a project has been disposed of, the proceeds of that disposal will usually be reinvested in new projects. In the case of very significant proceeds from a disposal, the Directors would also consider distributions to shareholders.

The Group's business model is to be an efficient and successful explorer and developer of mineral deposits.

The rights to carry out these activities may be acquired through the receipt by the Group of licences from the relevant authorities, or by negotiating to acquire rights from existing owners. The Group will generally seek to acquire such rights for low initial payments, with any further amounts paid later depending on the success of the project. This enables the risk inherent to the Group's activities to be somewhat mitigated.

The business model is put into practice by the Directors combined with the use of consultants on an as required basis, both in the UK and overseas. In this way, overheads can be kept as low as possible and the flexibility of the Group can be maintained.

Key Performance Indicators ("KPIs")

KPIs which apply in most businesses are not usually particularly relevant to mineral exploration and development companies which, for example, typically have little or no product sales.

The Board has previously identified some key KPIs which are considered of relevance. These are detailed below.

Project development:

The Group reports the achievement of exploration and development targets, including results of exploration, definition of exploration targets, and reporting of mineral resources and mineral reserves using internationally recognised protocols. During the year drilling results were obtained from the Bung Bong and Monte Christo prospects in the Avoca gold project area (EL5387), together with the Blue Moon prospect in the Bailieston gold project area (EL5433), in Central Victoria, Australia. These drilling programmes are considered to have fulfilled their intended purpose.

End of year cash balance and attributable cash resources:

This KPI is of critical importance and it is a good indicator of whether the Group has sufficient financial resources. The Directors take all necessary steps to minimise the rate of cash burn on overheads (commensurate with ensuring that the Group's quality standards, including its human resources, are not compromised and that it has adequate resources, both human and otherwise, to carry out its activities). The Group held £782,142 of cash and cash equivalents at 30 September 2018, versus £1,082,994 at the beginning of the year. The Directors consider the performance of the Group in this regard to be in line with the activities required to fulfil the Group's work programmes.

Operating Review

As mentioned above, the Group's current physical operations are located in Central Victoria, Australia. The Group holds interests in Argentina and the Philippines but did not carry out significant operations in either jurisdiction during the year and has not done so since the year-end. Potential new projects are reviewed from time to time in line with the strategy discussed earlier in this Strategic Report.

Avoca, Bailieston, Creswick, Moormbool and Timor gold projects, Australia

These projects are located in Central Victoria and are 100% held by ECR's wholly owned Australian subsidiary MGA. The exploration licences comprising the Moormbool (EL006280) and Timor (EL006278) projects were granted to MGA during the year ended 30 September 2017, while the Avoca (EL5387) and Bailieston (EL5433) exploration licences were acquired from Currawong Resources Pty Ltd ("Currawong") pursuant to a deed of assignment (the "Deed") entered into between MGA and Currawong during the year ended 30 September 2016. The Company announced the acquisition of the Creswick licence, EL006184, in April 2018. EL006913, which abuts EL006280, was granted to MGA in March 2019.

In respect of future production from the Avoca and/or Bailieston projects (if any), the original holder of the licences, Currawong, is entitled to be paid a net profits interest royalty of 20% in respect of mine dumps and 10% in respect of other deposits. Royalties on the same basis would also be payable, subject to the terms of the Deed, in respect of a 10km Area of Interest (as that term is defined in the Deed) surrounding the Avoca and Bailieston projects. This is considered likely to bring the Moormbool and Timor projects within the ambit of the royalties. Total royalties payable to Currawong under the Deed are capped at AUD 3.5 million. In addition, AUD150,000 worth of ECR shares will become issuable to Currawong if any Tenement (as that term is defined under the Deed) reaches commercial production.

Exploration activities on MGA's projects in Victoria during the year ended 30 September 2018 and since the year-end are discussed in the Chief Executive Officer's Report.

Windidda gold project, Western Australia

In December 2018, ECR's wholly owned Australian subsidiary MGA submitted nine contiguous exploration licence applications covering a 1,600 square kilometre package of ground prospective for gold mineralisation in the Yilgarn region of Western Australia, east of the town of Wiluna. The application package is to be known as the Windidda gold project. This project is further discussed in the Chief Executive Officer's Report.

SLM gold project, Argentina

The SLM project is located in La Rioja Province, Argentina and is 100% held by ECR's wholly owned subsidiary Ochre Mining SA. In November 2015, Argentina elected a new president who is seen to be relatively pro-business, and the new administration moved to liberalise currency controls and remove export taxes on mined products.

In December 2016, a site visit and review by three of the Company's Directors (including Ivor Jones, a professional geologist, who has since resigned from the Board) enabled the announcement of a JORC Code-compliant Exploration Target for the El Abra and JV14 prospects, along with details of a proposed drilling programme. Further information and explanation regarding the SLM project Exploration Targets and proposed drilling, details of which were announced on 27 January 2017, is provided in a technical report entitled 'Exploration Target - Sierra de las Minas' which is available on ECR's website.

The Company has begun investigating the possibility of 'spinning out' the SLM project into a separate listed company. This would provide ECR with a substantial shareholding in that company, which would then be responsible for financing further exploration at SLM.

Danglay gold project, Philippines

In late April 2013 ECR entered into an earn-in and joint venture agreement (the "Agreement") in relation to the Danglay gold project in the Philippines. Cordillera Tiger Gold Resources, Inc. ("Cordillera Tiger") is a Philippine corporation and the holder of the exploration permit (the "EP") which represents the Danglay project.

Activities under the Agreement commenced in December 2013 and ceased when the Earn-In Option (as that term is defined in the Agreement) was terminated in August 2016. The Philippine mining industry is enduring a period of significant political and regulatory upheaval, which has been particularly intense and unpredictable since June 2016. In light of this, termination of the Earn-In Option was considered a prudent step for the Company to take.

The Agreement gave ECR the exclusive right and option to earn a 25% or 50% interest in Cordillera Tiger and thereby in the Danglay project. Under the terms of the Agreement, ECR was the operator of the Danglay project, through Cordillera Tiger. The completion of various exploration programmes generated valuable data which is relevant to the assessment of the project's economic potential.

In December 2015, the Company published an NI43-101 technical report (the "Report") in relation to the Danglay project. The Report also disclosed a target for further exploration, as permitted by NI43-101. The Report supports the disclosure on 5 November 2015 of an inferred mineral resource estimate for oxide gold mineralisation at Danglay.

Under the Agreement, the estimation of this mineral resource and the making of expenditures exceeding US$500,000 in connection with the Danglay project entitle ECR to a 25% interest in Cordillera Tiger. Both conditions have been satisfied, but the relevant shareholding has yet to be issued, despite a resolution of Cordillera Tiger's board of directors authorising the issuance.

One of the delaying factors is a lawsuit which has been filed in the Philippines against three members of the Cordillera Tiger board. The lawsuit challenges, among other things, the resolution approving the issuance of shares in Cordillera Tiger to ECR. The plaintiff in the suit is Patric Barry, a director of Cordillera Tiger. The Company considers the lawsuit to be a transparent and unscrupulous attempt to obstruct Cordillera Tiger's performance of its contractual obligations and deprive ECR of its rightful shareholding.

Renewal of the EP for a further two-year term was applied for in September 2015, and in June 2016 the renewed EP was issued to Cordillera Tiger for signature and return to the Philippine authorities. The final renewed EP has yet to be provided to Cordillera Tiger, and the status of the renewal is unclear. Given the political and regulatory uncertainty affecting the mining sector in the Philippines, the delay is not unexpected.

The Danglay project remains attractive from a technical standpoint, but due to the high level of political and regulatory risk affecting the Philippine mining sector, only limited efforts by ECR to enforce its rights in respect of Cordillera Tiger have to date been considered commercially justifiable.

However, the political climate for the minerals industry in the Philippines appears on course to improve in future, and the Directors are aware of the circumstances surrounding the aforementioned litigation and consider that a favourable outcome for the Company (which is not a party to the litigation) is more likely than not.

Risks and Uncertainties

The Directors regularly review the risks and uncertainties to which the Group is exposed and seek to ensure that these risks and uncertainties are, as far as possible, minimised.

The Directors have identified the principal risks and uncertainties facing the Group and these are set out below.

Exploration Risk

Mineral exploration is, by its nature, speculative, and as mentioned earlier the number of such projects which develop into mining operations is relatively low. There is no certainty that the Group's exploration projects can be economically exploited and no certainty that this will enhance shareholder value. If the Directors ultimately decide that a prospect has no economic future and they are unable to sell it on, the costs incurred to date would be written off in the Consolidated Income Statement in the year in which the decision to discontinue exploration operations is made.

Development Risk

All mineral exploration and development projects may be subject to delays and/or unforeseen difficulties arising from bad weather, natural disasters, non-availability or delayed availability of licences or permits, changes in the terms on which key licences or permits are available, commissioning of operations, and the raising of finance, among other factors. The risk of delays and unforeseen difficulties is mitigated when practical and legal to do so. However, the risk remains that such factors may render a project unfeasible, or not economically feasible.

Commodity Prices

Changes in the spot and forward prices of the relevant mineral commodity can affect the economic viability of a project at any stage in its life cycle.

Resource Risk

Mineral deposits are evaluated by their size, grade and by other parameters, and mineral resources and reserves are typically calculated in accordance with accepted industry standards and codes. Nevertheless, there is always some level of uncertainty in the underlying assumptions. The Board keeps these assumptions under constant review and adjusts the Group's development strategy accordingly.

Mining & Processing Technical Risk

Variations can occur unexpectedly in the technical parameters of a project and can considerably alter its economic viability, despite the Directors taking as many precautions (such as confirmatory drilling, metallurgical test work and feasibility studies) as is sensible.

Environmental Risks

Changes in legislation and the risk of environmental damage can give rise to unplanned environmental liabilities or threaten the continuity of a project at any stage in its life cycle. The environmental parameters of all projects are considered carefully so as to minimise these risks.

Financing Risk

This arises when despite its best efforts the Group finds itself unable to raise the requisite finance on its optimal timescale, or at all. As a result, project development may be either delayed or suspended pending the raising of finance, and the lack thereof may threaten the rights of the Group in the event the Group is unable to meet its commitments.

The Directors aim to plan far enough ahead to ensure an orderly timing of finance raising activities in order to ensure, as far as practical, that the Group has sufficient liquidity to enable projects to proceed as planned.

Partner Risks

Any joint venture arrangement contains an element of counterparty risk, particularly as to the financial status of the joint venture partner or to its level of participation in the joint venture, and these issues can ultimately lead to the failure of the joint venture. There is a need to maintain good working relations with the Group's joint venture partners and to monitor their involvement and financial condition on a regular basis.

Political & Regulatory Risk

This takes many forms and can exist in developed countries (enhanced environmental requirements, changes in taxation, etc.) as well as less developed countries (civil unrest, government expropriation of mineral assets, corruption etc.).

Internal Control & Risk Management

The Directors are responsible for the Company's internal control systems. Whilst no system can give absolute assurance against material loss or misstatement, the Group's processes are designed, within the confines of the limited number of personnel employed, to provide reasonable assurance that issues are identified and dealt with in a timely manner.

The on-going financial performance of the Group is monitored regularly, risks are identified and where necessary adjustments are made as early as is possible.

The Board, subject to the necessary shareholder authority, regularly reviews capital investment, project acquisitions and disposals, borrowing facilities (if any), insurance and any guarantee arrangements.

Forward Looking Statements

This Annual Report & Accounts 2018 may include forward looking statements. Such statements may be subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from current expectations. There can be no assurance that such statements will prove to be accurate and therefore actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward looking statements. Any forward looking statements contained herein speak only as of the date hereof (unless stated otherwise) and, except as may be required by applicable laws or regulations (including the AIM Rules for Companies), the Company and the Group disclaim any obligation to update or modify such forward looking statements as a result of new information, future events or for any other reason.

Corporate Governance

Since September 2018, all AIM-listed companies have been required to apply a recognised corporate governance code. The Company has chosen the Quoted Companies Alliance (QCA) Corporate Governance Code published in April 2018 for this purpose. High standards of corporate governance are a priority for the Board, and details of how ECR addresses the key governance principles defined in the QCA code are set out below, and on the Company's website in accordance with AIM Rule 26.

<u>Deliver growth</u>

1. Strategy and business model

ECR's business model and strategy to deliver shareholder value is set out in this Strategic Report, together with the Company's values and risk management approach.

2. Understanding and meeting shareholder needs and expectations

The Company maintains a dedicated email address which investors can use to contact the Company. This address is prominently displayed on the Company's website together with its address and phone number.

Annual general meetings are held, which all members have the right to attend, and during each annual general meeting, time is set aside specifically to allow questions from attending members to be addressed to the Board. As the Company is too small to have a dedicated investor relations department, the CEO is responsible for reviewing all communications received from members and determining the most appropriate response. In addition to these passive measures, the CEO typically engages with members through investor shows once or twice each year, which seems to be effective.

3. Stakeholder and social responsibilities

In addition to its members, the Company recognises that its main stakeholder groups are its employees, consultants and contractors, and the communities and governmental authorities where the Company and its subsidiaries operate. Where necessary, the Company dedicates significant time to understanding and acting on the needs and requirements of each of these groups. Board members assess the needs and requirements of the Company's stakeholders as and when they interact with each stakeholder group, usually through meetings and dialogue, and matters are then be raised at Board level for appropriate action.

With regard to corporate social responsibility, the Board is aware of the impact the activities of the Company and its subsidiaries may have on the communities in which they operate, and aims to ensure this impact is positive.

4. Risk management

The Company operates in the mineral exploration and development sector, which is generally high risk but can provide exceptionally high returns for shareholders. The Company maintains a register of risks across a number of categories including personnel, competition, finance, environmental, political, technical and legal.

The risks are identified on an annual basis and discussed with the auditors, and kept up to date with the aid of regular discussions at Board level. For each risk the Board estimates the potential impact and likelihood of adverse events, and identifies mitigating strategies. This register is reviewed periodically as the Company's situation changes and at a minimum annually to determine whether the systems in place are effective or need updating.

<u>Maintain a dynamic management framework</u>

5. Board structure

The Board currently comprises one executive director, one independent non-executive director and one independent non-executive Chairman. The Board meets at least quarterly, and all current directors have attended all Board meetings held in the current financial year (subject to his being a director at that time). Under the Company's articles of association, each director must periodically offer himself for re-election by vote of the members at the Company's annual general meeting.

The contracts of engagement for the Company's non-executive directors require that they devote such of their time as is reasonably necessary to perform their duties. In addition, they may provide paid consulting services in respect of work going beyond the role of a non-executive director.

The Company notes that best practice under the QCA code is to have at least half the Board made up of independent non-executive directors.

In addition, the Company notes that its Non-Executive Chairman David Tang has been in post for more than one year and the Board is satisfied as to his independence, especially in light of the periodic requirement for all directors to offer themselves for re-election, which offers shareholders an opportunity to vote on their suitability. During the past twelve months there have been four formal board meetings and all directors in office at the relevant time attended.

6. Board diversity and experience

The individuals who have been appointed to the Board have been chosen because of the skills and experience they offer. The members of the Board at the present time are listed earlier in this annual report, together with an outline of their experience, skills and personal qualities relevant to the Company's business.

The diverse experience and expertise of the directors is intended to ensure that the Board has the skills and capabilities to manage the Company for the benefit of shareholders over the medium to long term.

The Company has no specific advisors to the board other than its lawyers and AIM nominated adviser. Craig Brown acts in the role of Company Secretary.

7. Board performance & evaluation

Evaluation of the performance of the Board has historically been implemented in an informal manner. From 2019 however, the Board will formally review and consider the performance of each director at or around the time of the Company's annual general meeting using a process which is currently under development.

On an ongoing basis, Board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current Board members, however the Board considers that the Company is too small to have an internal succession plan and that it would not be cost effective to maintain an external candidate list prior to the need arising.

8. Corporate culture

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value in the medium to long term. Adherence to these standards is a key factor in the evaluation of performance within the Company, including during annual performance reviews. In addition, staff matters are a standing topic at every Board meeting and the CEO reports on any notable examples of behaviours that either align with or are at odds with the Company's stated values. The Board believes that the Company's culture encourages collaborative, ethical behaviour which benefits employees and shareholders. The Board further believes that all employees and consultants worked in line with the Company's values during the financial year ended 30 September 2018 and since. This has been assessed by the Board in the course of the day to day management of the Company, which is feasible given the relatively small size of the organisation.

9. Governance structures

Due to the size of the Company all strategic and major commercial matters are reserved for the Board.

The key Board roles are as follows:

Chair: The primary responsibility of the Chair is to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. The Chair has sufficient separation from the day-to-day business to be able to make independent decisions. The Chair is also responsible for making sure that the Board agenda concentrates on the key issues, both operational and financial, with regular reviews of the Company's strategy and its overall implementation.

Chief Executive Officer (CEO): Charged with the implementation of the strategy set by the Board. Works with the Chair and non-executives in an open and transparent way. Keeps the Chair and the Board as a whole up-to-date with operational performance, risks and other issues to ensure that the business remains aligned with the strategy.

The Board has two committees. They are as follows:

Audit committee: The audit committee meets to consider matters relating to the Company's financial position and financial reporting. The audit committee reviews the independence and objectivity of the external auditors. The committee reviews the independence and objectivity of the external auditors, PKF Littlejohn LLP, as well as the amount of non-audit work undertaken by them, to satisfy itself that this will not compromise their independence. Details of the fees paid to PKF Littlejohn LLP during each financial year are given in the annual accounts. The audit committee currently comprises David Tang (Non-Executive Chairman) and Craig Brown (Chief Executive Officer).

Remuneration committee: The remuneration committee has been established primarily to determine the remuneration, terms and conditions of employment of the executive directors of the Company. Any remuneration issues concerning non-executive directors are also resolved by this committee, although no director participates in decisions that concern his own remuneration. The remuneration committee comprises David Tang (Non-Executive Chairman) and Samuel Garrett (Non-Executive Director).

Due to the nature of the size of the Company all major operational decisions are reserved for the Board. The appropriateness of the Company's governance structures will be reviewed as the Company evolves, and changes made as necessary.

<u>Build trust</u>

10. Stakeholder communication

On the Company's website shareholders can find all historical regulatory announcements, notices of general meetings, governance-related materials, interim reports and annual reports. Annual reports and notices of general meetings are posted directly to all registered shareholders, and the outcome of general meetings is disclosed in a clear and transparent manner via regulatory announcements.

The Company's website allows shareholders and other interested parties to sign up to a mailing list to enable them to directly receive regulatory and other company releases by email. As described earlier, the Company also maintains email and phone contacts which shareholders can use to make enquiries or requests.

Corporate Responsibility

The Board regularly reviews the significance of social, environmental and ethical matters affecting the Group's operations. It considers that the Group is not yet at a stage where a specific corporate social responsibility policy is required, in view of the limited number of stakeholders, other than shareholders. Instead the Board protects the Group's interests and those of its stakeholders through individual policies and through ethical and transparent business dealings.

The Board has adopted an Anti-Bribery and Corruption Policy.

Shareholders

The Board seeks to protect shareholders' interests at all times by operating in accordance with the corporate governance arrangements set out above, and by ensuring that each Board decision is taken with due regard to the interests of shareholders as a whole. In addition to making appropriate news releases and publishing financial reports, the Directors encourage communication with shareholders at annual general meetings and by participating in investor presentations, Q&A sessions and via social media.

Environment

Mineral exploration and development has the potential to adversely impact the environment in which it takes place. The Group takes its environmental responsibilities seriously and the environmental parameters of the activities of the Group are considered carefully so as to minimise the risk of adverse environmental effects.

Human Rights

The activities of the Group are carried out in accordance with all applicable laws on human rights and with genuine moral concern for all stakeholders.

Employees

The Group seeks to remunerate its employees fairly, offers flexible working arrangements where practical and encourages employees to gain exposure to all aspects of the Group's business. The Group gives full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. It considers the interests of employees when making decisions and welcomes suggestions from employees which have the potential to improve the Group's performance.

Suppliers & Contractors

The Board recognises the importance of maintaining the goodwill of its contractors, consultants and suppliers, and encourages this through fair dealings. The Group has a prompt payment policy and seeks to ensure all liabilities are settled within the terms agreed with that supplier.

Health & Safety

The activities of the Group are carried out in accordance with all applicable laws on health & safety.

This Strategic Report was approved by the Directors on 28 March 2019.

Craig Brown
Director and Chief Executive Officer

Principal Activities

A full review of significant matters, including likely future developments, is contained in the Chairman's Statement, Chief Executive Officer's Report and the Strategic Report.

Details of significant events after the reporting date are also disclosed in Note 22 to the financial statements.

Financial Risk Management Objectives and Policies

The Group does not presently hold any forward or hedge positions in either currency or minerals. Currently these are not deemed necessary, but this is reviewed from time to time. There is inherent risk in operating between different currencies, principally GBP, AUD and USD, and the Board monitors and reviews this exposure on a regular basis.

The Board recognises the Group's exposure to liquidity risk and that the Group's ability to continue its operations is dependent on it having or acquiring sufficient cash resources. The Board continually monitors the Group's cash position and may realise all or part of the Group's investments in order to maintain the ability of the Group to meet its obligations as they fall due.

The location of the Group's principal activities is currently in Australia and its corporate base is in the United Kingdom. These locations are considered stable with advanced economic and legal infrastructures.

Further details of the Group's financial risk management objectives and policies are set out in Note 19 to the financial statements.

Position of the Company and Going Concern

At the date of this report the Group's financial position is stable. As explained herein, the financial statements continue to be prepared on a going concern basis.

Based on a review of the Group's budgets and cash flow forecasts and the expected sources of financing available, the Directors are satisfied that the Group and Company have sufficient resources to continue their operations and to meet their commitments for the next at least the next 12 months. The Directors have considered the present economic and financial climate as specifically pertaining to the Company and its peer group and are confident in the ability of the Company to raise funding as required to sustain and develop the operations of the Group. Means of raising finance potentially available to the Company include the issue of equity and the sale of assets.

Reviews of operations and business developments are provided in the reports of the Chairman and the Chief Executive Officer, the Strategic Report, this Report of the Directors and within the detail of the financial statements. Therein are set out certain forward looking statements that have been made by the Directors in good faith. By the nature of these statements there can be no certainty that any or all predictions will be met. Such statements may be subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from current expectations. There can be no assurance that such statements will prove to be accurate and therefore actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward looking statements. Any forward looking statements contained herein speak only as of the date hereof (unless stated otherwise) and, except as may be required by applicable laws or regulations (including the AIM Rules for Companies), the Company disclaims any obligation to update or modify such forward looking statements as a result of new information, future events or for any other reason.

The Impact of Brexit on the Group

The Board has considered the extent of solvency, liquidity and other risks and uncertainties arising from the proposed withdrawal of the United Kingdom from the European Union ("Brexit") that may threaten the long term viability of the Group. The Board does not envisage Brexit having a significant impact on the Group, based on the geographical location of the Group's current exploration projects and investor base.

The Board will continue to follow the development of the UK's negotiations with the European Union and evaluate the impact on the Group accordingly.

Dividends

The results for the year are set out in the Consolidated Income Statement. No dividend is proposed in respect of the year (2017: nil). The Group loss for the year of £550,018 (2017 loss of £511,124) has been taken to reserves together with the comprehensive income and expenses.

Directors

The Directors who served during the year and to the date of this report were:

Weili (David) Tang
Craig William Brown
Ivor William Osborne Jones (appointed 8 November 2016, resigned effective 30 November 2017)
Christian Gabriel St. John-Dennis (resigned effective 4 July 2018)
Samuel James Melville Garrett (appointed 22 February 2019)

Under the Company's Articles of Association, at every annual general meeting of the Company, any Director:

- who has been appointed by the Board since the date of the last annual general meeting; or
- who held office at the time of the two preceding annual general meetings and did not retire at either of them; or
- who has held office with the Company as a non–executive Director (that is, he has not been employed by the Company or held executive office) for a continuous period of nine years or more at the date of the meeting:

shall retire from office and may offer himself for election/re–election by the members.

Total Directors' emoluments are disclosed in Note 6 to the financial statements and details of the share options granted to Directors are disclosed below.

The Directors will comply with Rule 21 of the AIM rules and the Market Abuse Regulation relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees.

Directors' Interests

Directors who held office at 30 September 2018 held the following beneficial interests, either directly or indirectly (including interests held by spouses, minor children or associated parties) in the ordinary shares of the Company.

	29 March 2019 no. of shares	30 September 2018 no. of shares	30 September 2017 no. of shares
C W Brown	2,977,842	1,549,271	1,549,271
I W O Jones[1]	–	–	1,000,000
C G St. John-Dennis[2]	–	–	–
Weili (David) Tang	1,428,572	–	–
	4,406,414	1,549,271	2,549,271

[1] I W O Jones was appointed on 8 November 2016 and resigned effective 30 November 2017
[2] C G St. John-Dennis was appointed on 12 October 2016 and resigned effective 4 July 2018

Additionally, Directors of the Company who held office at 30 September 2018 held the following share options granted under the Company's unapproved share option scheme:

	Options Issued	Date Issued	Expiry Date	Exercise Price
C W Brown	4,076,984	27/02/2017	27/02/2022	£0.01725

Share Capital and Substantial Share Interests

On 22 March 2019, the Company was aware of the following holdings of 3% or more in Company's issued ordinary share capital of 445,840,783 ordinary shares of £0.00001 each.

Registered Shareholder	Number of shares	% Holding
Jim Nominees Ltd <JARVIS>	124,587,741	27.94
Interactive Investor Services Nominees Limited <SMKTNOMS>	53,258,965	11.95
Share Nominees Ltd	49,263,888	11.05
Barclays Direct Investing Nominees Ltd <CLIENT1>	29,505,358	6.62
Hargreaves Lansdown (Nominees) Limited <HLNOM>	25,464,114	5.71
Interactive Investor Services Nominees Limited <SMKTISAS>	21,576,270	4.84
HSDL Nominees Limited	21,255,160	4.77
Hargreaves Lansdown (Nominees) Limited <15942>	16,210,620	3.64

Statement of Directors' Responsibilities

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 Group and Parent Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") 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. 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 the Company and of the profit or loss of the Group for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial reports;
- 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 Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors and Officers' Liability Insurance

The Company had in force during the year and has in force at the date of this report a qualifying indemnity in favour of its Directors against the financial exposure that they may incur in the course of their professional duties as Directors and officers of the Company and/or its subsidiaries.

Statement on Disclosure of Information to Auditors

Having made the requisite enquiries and in the case of each of the Directors who are Directors of the Company at the date when this report is approved:

- so far as they are individually aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they should have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Auditor

PKF Littlejohn LLP has expressed its willingness to continue in office as auditor of the Company and a resolution to confirm the appointment will be proposed at the forthcoming annual general meeting.

Annual General Meeting

The annual general meeting of the Company will be held at 9.00 am on 23 April 2019 at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London, EC4M 7RD, United Kingdom. Notice of the annual general meeting is enclosed.

This report was approved by the Board on 28 March 2019.

By order of the Board

Craig Brown
Director and Chief Executive Officer

Independent Auditor's Report

For the year ended 30 September 2018

Independent Auditor's Report to the Members of ECR Minerals Plc

Opinion

We have audited the financial statements of ECR Minerals Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2018 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2018 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 £60,000 based upon gross assets and the loss before tax. The Parent Company materiality was £55,000 based upon gross assets and the result for the year. For each component in the scope of our group audit, we allocated a materiality that is either equal to or 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 among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. The Australian and Argentinian subsidiary undertakings represent the principal business units within the Group, upon which we performed audit procedures directly on significant accounts based on size or risk profile to the Group. A full scope audit was undertaken on the financial statements of the Parent Company.

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. This matter was 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 this matter.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Recoverability of intangible assets – exploration and development costs (refer note 10) The carrying value of intangible assets as at 30 September 2018 is £2,859,474 which comprises exploration and development projects in Australia, Argentina and the Philippines. The carrying value of these intangible assets are tested annually for impairment. There is a risk that the carrying value of these early stage projects is impaired and that the exploration and development expenditure capitalised during the year is not in accordance with IFRS 6.	The carrying value of all early stage exploration and development projects were assessed and tested in accordance with the following criteria: • The Group holds good title to the licence areas; • The Group has planned and budgeted for further expenditure for mineral resources in the licence areas; and • Exploration and development work undertaken to date has indicated the existence of commercially viable quantities of mineral resource. We undertook substantive testing on capitalised expenditure during the year to ensure it satisfied the criteria under IFRS 6. We discussed with management the scope of their future budgeted and planned expenditure on each licence area. As disclosed in note 10 to the financial statements, the Group has not formally acquired title to its 25% interest in Cordillera Tiger Gold Resources, Inc ("Cordillera") which is the holder of the exploration permit for the Danglay gold project in the Philippines. The conditions for the earn-in have been satisfied but the relevant shareholding has yet to be issued, despite the Board of Cordillera authorising the issue. In addition, the exploration permit for the Danglay gold project held by Cordillera expired on 30 September 2015. Cordillera is currently waiting for the Philippine authority to formally grant its renewal application. This indicates the existence of a material uncertainty over the recoverability of the carrying value of the Danglay gold project, which amounted to £1,176,729 as at 30 September 2018.

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 the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the 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 group and parent company 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.

Use of our report

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

David Thompson

David Thompson (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

28 March 2019

Consolidated Income Statement

For the year ended 30 September 2018

ECR Minerals plc company no. 5079979

	Note	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Continuing operations			
Other administrative expenses		**(544,521)**	(509,545)
Currency exchange differences		**(6,912)**	(3,186)
Total administrative expenses		**(551,433)**	(512,731)
Operating loss	*3*	**(551,433)**	(512,731)
Loss on disposal of investment		**–**	(1)
Fair value movements - available for sale financial asset	*9*	**(971)**	1,255
		(552,404)	(511,477)
Financial income	*7*	**1,386**	353
Financial expense		**1,000**	–
Finance income and costs		**2,386**	353
Loss for the year before taxation		**(550,018)**	(511,124)
Income tax	*5*	**–**	–
Loss for the year from continuing operations		**(550,018)**	(511,124)
Loss for the year - all attributable to owners of the parent		**(550,018)**	(511,124)
Earnings per share - basic and diluted			
On continuing operations	*4*	**(0.21)p**	(0.31)p

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The loss for the parent company for the year was £373,149 (2017: £208,774 loss).

The notes on pages 26 to 41 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2018 ECR Minerals plc company no. 5079979

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Loss for the year	**(550,018)**	(511,124)
Items that may be reclassified subsequently to profit or loss		
Loss on exchange translation	**(171,442)**	(51,524)
Other comprehensive expense for the year	**(171,442)**	(51,524)
Total comprehensive expense for the year	**(721,460)**	(562,648)
Attributable to:-		
Owners of the parent	**(721,460)**	(562,648)

The notes on pages 26 to 41 are an integral part of these financial statements.

Consolidated & Company Statement of Financial Position

At 30 September 2018 ECR Minerals plc company no. 5079979

		Group		Company	
	Note	**30 September 2018 £**	30 September 2017 £	**30 September 2018 £**	30 September 2017 £
Assets					
Non-current assets					
Property, plant and equipment	*8*	**3,033**	8,694	**1,764**	7,020
Investments in subsidiaries	*9*	**–**	–	**852,728**	852,170
Intangible assets	*10*	**2,859,474**	2,668,747	**2,256,309**	2,180,312
Other receivables	*11*	**–**	–	**538,494**	240,970
		2,862,507	2,677,441	**3,649,295**	3,280,472
Current assets					
Trade and other receivables	*11*	**79,413**	54,888	**471,670**	281,901
Available for sale financial assets	*9*	**21,299**	22,269	**21,299**	22,269
Cash and cash equivalents	*12*	**781,142**	1,082,994	**749,025**	1,046,787
		881,854	1,160,151	**1,241,994**	1,350,957
Total assets		**3,744,361**	3,837,592	**4,891,289**	4,631,429
Current liabilities					
Trade and other payables	*14*	**92,816**	102,367	**75,662**	80,432
		92,816	102,367	**75,662**	80,432
Total liabilities		**92,816**	102,367	**75,662**	80,432
Net assets		**3,651,545**	3,735,225	**4,815,627**	4,550,997
Equity attributable to owners of the parent					
Share capital	*13*	**11,283,756**	11,282,812	**11,283,756**	11,282,812
Share premium	*13*	**44,460,171**	43,823,335	**44,460,171**	43,823,335
Exchange reserve		**(389,501)**	(218,059)	**–**	–
Other reserves		**1,381,998**	1,381,998	**1,381,998**	1,381,998
Retained losses		**(53,084,879)**	(52,534,860)	**(52,310,298)**	(51,937,148)
Total equity		**3,651,545**	3,735,225	**4,815,627**	4,550,997

The notes on pages 26 to 41 are an integral part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 28 March 2019 and were signed on its behalf by:

Weili (David) Tang
Non–Executive Chairman

Craig Brown
Director & Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended 30 September 2018 ECR Minerals plc company no. 5079979

	Share capital (Note 13) £	Share premium (Note 13) £	Exchange reserve £	Other reserves £	Retained reserves £	Total £
Balance at 30 September 2016	11,281,628	42,441,553	(166,535)	1,147,717	(52,023,736)	**2,680,627**
Loss for the year	–	–	–	–	(511,124)	**(511,124)**
Loss on exchange translation	–	–	(51,524)	–	–	**(51,524)**
Total comprehensive expense	–	–	(51,524)	–	(511,124)	**(562,648)**
Shares issued	1,109	1,552,455	–	–	–	**1,553,564**
Share issue costs	–	(84,878)	–	–	–	**(84,878)**
Share based payments	–	(166,739)	–	234,281	–	**67,542**
Shares issued in payment of creditors	75	80,944	–	–	–	**81,019**
Total transactions with owners, recognised directly in equity	1,184	1,381,782	–	234,281	–	**1,617,247**
Balance at 30 September 2017	11,282,812	43,823,335	(218,059)	1,381,998	(52,534,860)	**3,735,226**
Loss for the year	–	–	–	–	(550,018)	**(550,018)**
Gain/loss on exchange translation	–	–	(171,442)	–	–	**(171,442)**
Total comprehensive expense	–	–	(171,442)	–	(550,018)	**(721,460)**
Shares issued	929	649,071	–	–	–	**650,000**
Share issue costs	-	(27,220)	–	–	–	**(27,220)**
Warrants issued in lieu of finance cost	–	–	–	–	–	
Shares issued in payment of creditors	15	14,985	–	–	–	**15,000**
Total transactions with owners, recognised directly in equity	944	636,836	–	–	–	**637,780**
Balance at 30 September 2018	11,283,756	44,460,171	(389,501)	1,381,998	(53,084,878)	**3,651,546**

The notes on pages 26 to 41 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 September 2018 ECR Minerals plc company no. 5079979

	Share capital (Note 13) £	Share premium (Note 13) £	Other reserves £	Retained reserves £	Total £
Balance at 30 September 2016	11,281,628	42,441,553	1,147,717	(51,728,374)	**3,142,524**
Loss for the year	–	–	–	(208,774)	**(208,774)**
Total comprehensive expense	–	–	–	(208,774)	**(208,774)**
Shares issued	1,109	1,552,455	–	–	**1,553,564**
Share issue costs	–	(84,878)	–	–	**(84,878)**
Share based payments	–	(166,739)	234,281	–	**67,542**
Shares issued in payment of creditors	75	80,944	–	–	**81,019**
Total transactions with owners, recognised directly in equity	1,184	1,381,782	234,281	–	**1,617,247**
Balance at 30 September 2017	11,282,812	43,823,335	1,381,998	(51,937,148)	**4,550,997**
Loss for the year				(373,149)	**(373,149)**
Total comprehensive expense	–	–	–	(373,149)	**(373,149)**
Shares issued	929	649,071	–	–	**650,000**
Share issue costs	–	(27,220)	–	–	**(27,220)**
Shares issued in payment of creditors	15	14,985	–	–	**15,000**
Total transactions with owners, recognised directly in equity	944	636,836	–	–	**637,780**
Balance at 30 September 2018	11,283,756	44,460,171	1,381,998	(52,310,297)	**4,815,628**

The notes on pages 26 to 41 are an integral part of these financial statements.

Consolidated & Company Cash Flow Statement

For the year ended 30 September 2018 ECR Minerals plc company no. 5079979

		Group		Company	
	Note	Year ended 30 September 2018 £	Year ended 30 September 2017 £	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Net cash flow used in operations	*21*	**(563,850)**	(569,016)	**(547,730)**	(511,307)
Investing activities					
Purchase of property, plant & equipment		**–**	(6,174)	**–**	(4,082)
Increase in exploration assets	*10*	**(302,794)**	(231,140)	**(75,998)**	(104,209)
Investment in subsidiaries		**–**	–	**(558)**	(112,070)
Loan to subsidiary		**–**	–	**(297,524)**	(133,629)
Interest income		**1,386**	353	**1,268**	233
Net cash used in investing activities		**(301,408)**	(236,961)	**(372,812)**	(353,757)
Financing activities					
Proceeds from issue of share capital		**622,780**	1,468,686	**622,780**	1,468,686
Net cash from financing activities		**622,780**	1,468,686	**622,780**	1,468,686
Net change in cash and cash equivalents		**(242,478)**	662,709	**(297,762)**	603,622
Cash and cash equivalents at beginning of the year		**1,082,994**	471,809	**1,046,787**	443,165
Effect of changes in foreign exchange rates		**(59,374)**	(51,524)	**–**	–
Cash and cash equivalents at end of the year	*12*	**781,142**	1,082,994	**749,025**	1,046,787

Non-cash transactions:

1. Settlement of creditors of £15,000 (2017: £80,994) with ordinary shares.

The notes on pages 26 to 41 are an integral part of these financial statements.

1 General information

The Company and the Group operated mineral exploration and development projects. The Group's principal interests are located in Argentina, the Philippines and Australia.

The Company is a public limited company incorporated and domiciled in England. The registered office of the Company and its principal place of business is Unit 117, Chester House, 81-83 Fulham High Street, Fulham Green, London SW6 3JA. The Company is listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

2 Accounting policies

Overall considerations

The principal accounting policies that have been used in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied unless otherwise stated.

Basis of preparation

The financial statements of both the Group and the Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) and Interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These are the standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standard Board (IASB) that have been endorsed by the European Union at the year end. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments. The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not prepared an Income Statement or a Statement of Comprehensive Income for the Company alone.

The Group and Parent Company financial statements have been prepared on a going concern basis as explained in the Directors' Report on page 15.

New accounting standards and interpretations

Effective during the year

During the year the Group has adopted the following standards and amendments:

- Annual Improvements to IFRSs 2014–2016 Cycle
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7: Disclosure Initiative

The adoption of these standards and amendments did not have any impact on the financial position or performance of the Group.

Not yet effective

At the date of authorisation of these Group Financial Statements and the Parent Company Financial Statements, the following Standards, amendments and interpretations were endorsed by the EU but not yet effective:

- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15
- Clarifications to IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

In addition to the above there are also the following standards and amendments that have not yet been endorsed by the EU:

- Annual Improvements to IFRS Standards 2015-2017 Cycle
- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 1 and IAS 8 Definition of Material

The Group intends to adopt these standards when they become effective. The introduction of these new standards and amendments is not expected to have a material impact on the Group or Parent Company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and two of its subsidiaries made up to 30 September 2018. Subsidiary undertakings acquired during the period are recorded under the acquisition method of accounting and their results consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Going concern

It is the prime responsibility of the Board to ensure the Group and Company remains a going concern. At 30 September 2018, the Group had cash and cash equivalents of £781,142 and no borrowings. The Group's financial projections and cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements show that the Group will have sufficient available funds in order to meet its contracted and committed expenditure. Further details are included in Note 19 to the financial statements. The Directors are confident in the ability of the Group to raise additional funding, if required, from the issue of equity and/or the sale of assets.

Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the next 12 months and continue to adopt the going concern basis of accounting in preparing these Financial Statements.

Cash and cash equivalents

Cash includes petty cash and cash held in current bank accounts. Cash equivalents include short–term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any provision for impairment losses.

Depreciation is charged on each part of an item of property, plant and equipment so as to write off the cost of assets less the residual value over their estimated useful lives, using the straight–line method. Depreciation is charged to the income statement. The estimated useful lives are as follows:

Office equipment	3 years
Furniture and fittings	5 years
Machinery and equipment	5 years

Expenses incurred in respect of the maintenance and repair of property, plant and equipment are charged against income when incurred. Refurbishments and improvements expenditure, where the benefit is expected to be long lasting, is capitalised as part of the appropriate asset.

An item of property, plant and equipment ceases to be recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on cessation of recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset ceases to be recognised.

Exploration and development costs

All costs associated with mineral exploration and investments are capitalised on a project–by–project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished or a project abandoned, the related costs are written off in the period in which the event occurs. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Impairment testing

Individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may exceed its recoverable amount, being the higher of net realisable value and value in use. Any such excess of carrying value over recoverable amount or value in use is taken as a debit to the income statement.

Intangible exploration assets are not subject to amortisation and are tested annually for impairment.

Provisions

A provision is recognised in the Statement of Financial Position when the Group or Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre–tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Leased assets

In accordance with IAS 17, leases in terms of which the Group or Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term.

Taxation

There is no current tax payable in view of the losses to date.

Deferred income taxes are calculated using the Statement of Financial Position liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related current or deferred tax is also charged or credited directly to equity.

Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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.

The investments in subsidiaries held by the Company are valued at cost less any provision for impairment that is considered to have occurred, the resultant loss being recognised in the income statement.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares, both ordinary and deferred.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issues.
- "Other reserves" represent the fair values of share options and warrants issued.
- "Retained reserves" include all current and prior year results, including fair value adjustments on available for sale financial assets, as disclosed in the consolidated statement of comprehensive income.
- "Exchange reserve" includes the amounts described in more detail in the following note on foreign currency below.

Foreign currency translation

The consolidated financial statements are presented in pounds sterling which is the functional and presentational currency representing the primary economic environment of the Group.

Foreign currency transactions are translated into the respective functional currencies of the Company and its subsidiaries using the exchange rates prevailing at the date of the transaction or at an average rate where it is not practicable to translate individual transactions. Foreign exchange gains and losses are recognised in the income statement.

Monetary assets and liabilities denominated in a foreign currency are translated at the rates ruling at the Statement of Financial Position date.

The assets and liabilities of the Group's foreign operations are translated at exchange rates ruling at the Statement of Financial Position date. Income and expense items are translated at the average rates for the period. Exchange differences are classified as equity and transferred to the Group's exchange reserve. Such differences are recognised in the income statement in the periods in which the operation is disposed of.

Share–based payments

The Company operates equity–settled share–based remuneration plans for the remuneration of some of its employees. The Company awards share options to certain Company Directors and employees to acquire shares of the Company. Additionally, the Company has issued warrants to providers of loan finance.

All goods and services received in exchange for the grant of any share–based payment are measured at their fair values. Where employees are rewarded using share–based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee.

The fair value is appraised at the grant date and excludes the impact of non–market vesting conditions. Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non–transferability, exercise restrictions, and behavioural considerations.

All equity–settled share–based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "other reserves".

If vesting periods or other non–market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior years if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium.

A gain or loss is recognised in profit or loss when a financial liability is settled through the issuance of the Company's own equity instruments. The amount of the gain or loss is calculated as the difference between the carrying value of the financial liability extinguished and the fair value of the equity instrument issued.

Financial instruments

The Group's financial assets comprise cash and cash equivalents, investments and loans and receivables. Financial assets are assigned to the respective categories on initial recognition, depending on the purpose for which they were acquired. This designation is re–evaluated at every reporting date at which a choice of classification or accounting treatment is available.

The Group's loans, investments and receivables are non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at fair value on initial recognition. After initial recognition they are measured at amortised cost using the effective interest rate method, less any provision for impairment. Any change in their value is recognised in profit or loss. The Group's receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is immaterial. All receivables are considered for impairment on a case–by–case basis when they are past due at the Statement of Financial Position date or when objective evidence is received that a specific counterparty will default.

Investments that are held as available for sale financial assets are financial assets that are not classified in any other categories. After initial recognition, available for sale financial assets are measured at fair value. Any gains or losses from changes in the fair value of the financial asset are recognised in equity, except that impairment losses, foreign exchange gains and losses on monetary items and interest calculated using the effective interest method are recognised in the income statement.

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the consolidated income statement. The Directors consider a significant decline to be one in which the fair value is below the weighted average cost by more than 25%. A prolonged decline is considered to be one in which the fair value is below the weighted average cost for a period of more than twelve months.

If an available for sale equity security is impaired, any further declines in the fair value at subsequent reporting dates are recognised as impairments. Reversals of impairments of available for sale equity securities are not recorded through the income statement. Upon sale, accumulated gains or losses are recycled through the income statement.

Financial liabilities, which are measured at amortised cost, and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Any instrument that includes a repayment obligation is classified as a liability.

Where the contractual liabilities of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities, and are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of a financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Critical accounting estimates and judgements

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

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

The most critical accounting policies and estimates in determining the financial condition and results of the Group are those requiring the greater degree of subjective or complete judgement. These relate to:

- capitalisation and recoverability of exploration costs (Note 10);
- share–based payments (Note 6 and Note 13).

3 Operating loss

The operating loss is stated after charging:	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Depreciation of property, plant and equipment	**5,662**	4,653
Operating lease expenses	**22,875**	24,213
Share–based payments	**–**	67,542
Auditors' remuneration – fees payable to the Company's auditor for the audit of the parent company and consolidated financial statements	**21,500**	21,500

4 Earnings per share

Basic and Diluted

	Year ended 30 September 2018	Year ended 30 September 2017
Weighted number of shares in issue during the year	**263,542,617**	166,559,125

	£	£
Loss from continuing operations attributable to owners of the parent	**(550,018)**	(511,124)

Basic earnings per share has been calculated by dividing the loss attributable to equity holders of the company after taxation by the weighted average number of shares in issue during the year. There is no difference between the basic and diluted earnings per share as the effect on the exercise of options and warrants would be to decrease the earnings per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods is set out in Note 13.

5 Income tax

The relationship between the expected tax expense based on the corporation tax rate of 19% for the year ended 30 September 2018 (2017: 19%) and the tax expense actually recognised in the income statement can be reconciled as follows:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Group loss for the year	**(550,018)**	(511,124)
Loss on activities at effective rate of corporation tax of 19% (2016: 20%)	**(104,503)**	(97,114)
Expenses not deductible for tax purposes	**10,297**	13,694
Income not taxable	**(241)**	(19)
Depreciation in excess of capital allowances	**247**	247
Loss carried forward on which no deferred tax asset is recognised	**94,200**	83,192
Current tax expense	**–**	–
Deferred tax (see below)	**–**	–
Total income tax expense	**–**	–

The Company has unused tax losses of approximately £4,080,000 (2017: £3,763,000) to carry forward and set against future profits; and the Company has capital losses of £196,977 to carry forward and set against future capital gains of the Company. The related deferred tax asset has not been recognised in respect of these losses as there is no certainty in regards to the level and timing of future profits.

6 Staff numbers and costs

Group and Company	Year ended 30 September 2018 Number	Year ended 30 September 2017 Number
Directors	**3**	3
Administration	**2**	1
Total	**5**	4

The aggregate payroll costs of these persons were as follows:

	£	£
Staff wages and salaries	**12,270**	243
Directors' cash based emoluments	**216,176**	208,232
Social security costs	**15,342**	10,402
Share-based payments	**–**	67,542
	243,788	286,419

The remuneration of the directors, who are the key management personnel of the Group, in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures' was as follows:

	£	£
Directors' cash based emoluments	**216,176**	208,232
Employer's national insurance contributions	**15,342**	10,402
Share-based payments	**–**	67,542
	231,518	286,176

Directors' remuneration

As required by AIM Rule 19, details of remuneration earned in respect of the financial year ended 30 September 2018 by each Director are set out below:

Year ended 30 September 2018

	Salary				
Director	Paid £	Accrued £	Consulting fees £	Share–based payments £	Total £
C Brown	**101,500**	**–**	**–**	**–**	**101,500**
C St John Dennis	**20,400**	**–**	**2,000**	**–**	**22,400**
I Jones	**12,000**	**–**	**7,000**	**–**	**19,000**
W Tang	**34,539**	**4,000**	**29,184**	**–**	**67,723**
	168,439	**4,000**	**38,184**	**–**	**210,623**

6 Staff numbers and costs *continued*

Year ended 30 September 2017

Director	Salary Paid £	Salary Accrued £	Bonus £	Share–based payments £	Total £
C Brown	90,000	–	–	33,771	123,771
R Watts	484	–	–	–	484
C St John Dennis	23,385	–	–	–	23,385
I Jones	38,968	4,000	37,000	33,771	113,739
W Tang	6,395	–	–	–	6,395
W Howell	45,000	–	–	–	45,000
	204,232	4,000	37,000	67,542	312,774

The highest paid Director received remuneration of £101,500 (2017: £90,000), excluding share–based payments.
I Jones received remuneration, excluding share-based payments, including consulting fees of £19,000 (2017: £79,968) via a service company.

7 Finance income

Finance income	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Interest on cash and cash equivalents	**1,386**	353
	1,386	353

8 Property, plant and equipment

Group **Cost**	Furniture & fittings £	Office equipment £	Machinery & equipment £	Total £
At 1 October 2017	2,982	12,917	3,865	**19,764**
Additions	-	-	-	**-**
At 30 September 2018	2,982	12,917	3,865	**19,764**
Depreciation				
At 1 October 2017	791	8,347	1,932	**11,070**
Depreciation for the year	583	4,306	773	**5,662**
At 30 September 2018	1,374	12,653	2,705	**16,732**
Net book value				
At 1 October 2017	2,191	4,570	1,993	**8,694**
At 30 September 2018	1,608	264	1,160	**3,032**

8 Property, plant and equipment *continued*

Company

Cost	Furniture & fittings £	Office equipment £	Machinery & equipment £	Total £
At 1 October 2017	890	12,917	3,865	**17,672**
At 30 September 2018	890	12,917	3,865	**17,672**
Depreciation				
At 1 October 2017	373	8,347	1,932	**10,652**
Depreciation for the year	178	4,306	773	**5,257**
At 30 September 2018	551	12,653	2,705	15,909
Net book value				
At 1 October 2017	517	4,570	1,933	**7,020**
At 30 September 2018	339	264	1,160	**1,763**

The Group and the Company's property, plant and equipment are free from any mortgage or charge.

The comparable table for 2017 is detailed below.

Group

Cost	Furniture & fittings £	Office equipment £	Machinery & equipment £	Total £
At 1 October 2016	3,445	17,729	4,172	**25,346**
Additions	2,277	4,833	–	**7,110**
Written off	(2,740)	(9,645)	(307)	**(12,692)**
At 30 September 2017	2,982	12,917	3,865	**19,764**
Depreciation				
At 1 October 2016	2,950	14,693	1,466	**19,109**
Written off	(2,740)	(9,645)	(307)	**(12,692)**
Depreciation for the year	581	3,299	773	**4,653**
At 30 September 2017	791	8,347	1,932	**11,070**
Net book value				
At 1 October 2016	495	3,036	2,706	**6,237**
At 30 September 2017	2,191	4,570	1,933	**8,694**

Company

Cost	Furniture & fittings £	Office equipment £	Machinery & equipment £	Total £
At 1 October 2016	3,445	17,414	3,865	**24,724**
Additions	185	4,833	–	**5,018**
Written off	(2,740)	(9,330)	–	**(12,070)**
At 30 September 2017	890	12,917	3,865	**17,672**
Depreciation				
At 1 October 2016	2,950	14,378	1,159	**18,487**
Written off	(2,740)	(9,330)	–	**(12,070)**
Depreciation for the year	163	3,299	773	**4,235**
At 30 September 2017	373	8,347	1,932	**10,652**
Net book value				
At 1 October 2016	495	3,036	2,706	**6,237**
At 30 September 2017	517	4,570	1,933	**7,020**

9 Investments

	Investment in subsidiaries £
Cost as at 1 October 2017	**852,170**
Addition	**558**
Balance at 30 September 2018	**852,728**

The comparable table for 2016 is detailed below:

	Investment in subsidiaries £
Cost as at 1 October 2016	**740,100**
Addition	**112,070**
Balance at 30 September 2017	**852,170**

Investment in subsidiaries

At 30 September 2018, the Company had interests in the following subsidiary undertakings:

Subsidiaries:	Principal country of incorporation	Principal activity	Description and effective country of operation	Proportion of shares held
Ochre Mining SA	Argentina	Mineral Exploration	Argentina	100%
Mercator Gold Australia Pty Ltd	Australia	Mineral Exploration	Australia	100%
Warm Springs Renewable Energy Corporation	USA	Dormant	USA	90%
Copper Flat Corporation	USA	Dormant	USA	100%

Address of the subsidiaries:

Ochre Mining SA	Reconquista 657, Piso 1, City of Buenos Aires, Argentina
Mercator Gold Australia Pty Ltd	58 Gipps Street, Collingwood Victoria, 3066, Australia
Warm Springs Renewable Energy Corporation	315 Paseo de Peralta, Santa Fe, NM 87501, USA
Copper Flat Corporation (formerly New Mexico Copper Corporation)	315 Paseo de Peralta, Santa Fe, NM 87501, USA

Available for sale financial assets

	2018 £	2017 £
Quoted investments		
At 1 October	**22,269**	21,014
Fair value movements	**(971)**	1,255
At 30 September	**21,299**	22,269

The available for sale financial asset at 30 September 2017 and 2018 comprises shares in Tiger International Resources, Inc.

10 Intangible assets – exploration and development costs

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
At 1 October	**2,668,747**	2,437,608	**2,180,312**	2,076,103
Additions	**302,794**	284,063	**75,997**	104,208
Translation difference	**(64,346)**	(52,924)	**–**	–
At 30 September	**2,859,474**	2,668,747	**2,256,309**	2,180,312

An operating segment level summary of exploration and development costs of the Group is presented below:

	2018	2017
	£	£
Danglay Gold Project, Philippines	**1,176,729**	1,160,848
SLM Gold Project, Argentina	**1,038,418**	1,161,979
Central Victorian Gold Projects, Australia	**619,327**	345,920
Iceberg Gold Project	**25,000**	–
At 30 September	**2,859,474**	2,668,747

Danglay Gold Project, Philippines

In late April 2013 ECR entered into an earn-in and joint venture agreement (the "Agreement") in relation to the Danglay gold project in the Philippines. Cordillera Tiger Gold Resources, Inc. ("Cordillera Tiger") is a Philippine corporation and the holder of the exploration permit (the "EP") which represents the Danglay project.

Activities under the Agreement commenced in December 2013 and ceased when the Earn-In Option (as that term is defined in the Agreement) was terminated in August 2016. The Philippine mining industry is enduring a period of significant political and regulatory upheaval, which has been particularly intense and unpredictable since June 2016. In light of this, termination of the Earn-In Option was considered a prudent step for the Company to take.

The Agreement gave ECR the exclusive right and option to earn a 25% or 50% interest in Cordillera Tiger and thereby in the Danglay project. Under the terms of the Agreement, ECR was the operator of the Danglay project, through Cordillera Tiger. The completion of various exploration programmes generated valuable data which is relevant to the assessment of the project's economic potential.

In December 2015, the Company published an NI43-101 technical report (the "Report") in relation to the Danglay project. The Report also disclosed a target for further exploration, as permitted by NI43-101. The Report supports the disclosure on 5 November 2015 of an inferred mineral resource estimate for oxide gold mineralisation at Danglay.

Under the Agreement, the estimation of this mineral resource and the making of expenditures exceeding US$500,000 in connection with the Danglay project entitle ECR to a 25% interest in Cordillera Tiger. Both conditions have been satisfied, but the relevant shareholding has yet to be issued, despite a resolution of Cordillera Tiger's board of directors authorising the issuance.

One of the delaying factors is a lawsuit which has been filed in the Philippines against three members of the Cordillera Tiger board. The lawsuit challenges, among other things, the resolution approving the issuance of shares in Cordillera Tiger to ECR. The plaintiff in the suit is Patric Barry, a director of Cordillera Tiger at the time the suit was initiated. The Company considers the lawsuit to be a transparent and unscrupulous attempt to obstruct Cordillera Tiger's performance of its contractual obligations and deprive ECR of its rightful shareholding.

Renewal of the EP for a further two-year term was applied for in September 2015, and in June 2016 the renewed EP was issued to Cordillera Tiger for signature and return to the Philippine authorities. The final renewed EP has yet to be provided to Cordillera Tiger, and the status of the renewal is unclear. Given the political and regulatory uncertainty affecting the mining sector in the Philippines, the delay is not unexpected.

The Danglay project remains attractive from a technical standpoint, but due to the high level of political and regulatory risk affecting the Philippine mining sector, only limited efforts by ECR to enforce its rights in respect of Cordillera Tiger have to date been considered commercially justifiable.

However, the political climate for the minerals industry in the Philippines appears on course to improve in future, and the Directors are aware of the circumstances surrounding the aforementioned litigation and consider that a favourable outcome for the Company (which is not a party to the litigation) is more likely than not.

11 Trade and other receivables

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Non-current assets				
Amount owed by a subsidiary	**–**	–	**538,494**	240,970
Current assets				
Amount owed by a subsidiary	**–**	–	**410,556**	265,180
Other receivables	**36,095**	46,884	**17,470**	9,847
Prepayments and accrued income	**43,318**	8,004	**43,644**	6,874
	79,413	54,888	**471,670**	281,901

The short–term carrying values are considered to be a reasonable approximation of the fair value.

12 Cash and cash equivalents

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cash and cash equivalents consisted of the following:				
Deposits at banks	**781,139**	1,082,941	**749,025**	1,046,739
Cash on hand	**3**	53	**–**	48
	781,142	1,082,994	**749,025**	1,046,787

13 Share capital and share premium accounts

The share capital of the Company consists of three classes of shares: ordinary shares of 0.001p each which have equal rights to receive dividends or capital repayments and each of which represents one vote at shareholder meetings; and two classes of deferred shares, one of 9.9p each and the other of 0.099p each, which have limited rights as laid out in the Company's articles. In particular deferred shares carry no right to dividends or to attend or vote at shareholder meetings and deferred share capital is only repayable after the nominal value of the ordinary share capital has been repaid.

a) Changes in issued share capital and share premium

	Number of Shares	Ordinary shares £	Deferred 9.9p shares £	Deferred 'B' 0.099p shares £	Deferred 0.199p shares £	Total shares £	Share premium £	Total £
At 1 October 2017	247,605,240	2,476	7,194,816	3,828,359	257,161	11,282,812	43,823,335	55,106,147
Issue of shares less costs	92,857,143	929	-	-	-	929	621,851	622,780
Shares issued in payment of creditors	1,500,00	15	-	-	-	15	14,985	15,000
Balance at 30 September 2018	**341,962,383**	**3,420**	**7,194,816**	**3,828,359**	**257,161**	**11,283,756**	**44,460,171**	**55,743,927**

All the shares issued are fully paid up and none of the Company's shares are held by any of its subsidiaries.

13 Share capital and share premium accounts *continued*

b) Potential issue of ordinary shares

Share options

The number and weighted average exercise prices of share options valid at the year–end are as follows:

	Weighted average exercise price 2018 £	Number of options 2018	Weighted average exercise price 2017 £	Number of options 2017
Exercisable at the beginning of the year	**0.127**	**9,904,670**	0.637	1,750,702
Granted during the year	**–**	**–**	0.01725	8,153,968
Expired during the year	**0.40**	**(650,000)**	–	–
Exercisable at the end of the year	**0.108**	**9,254,670**	0.127	9,904,670

The options outstanding at 30 September 2018 have a weighted average remaining contractual life of three years (2017: four years).

The options outstanding at the end of the year have the following expiry date and exercise prices:

Date granted	Expiry Date	Exercise Price in	No. of Options
6 January 2011	5 January 2021	£5.00	56,000
31 December 2014	30 December 2019	£0.55	1,044,702
27 February 2017	26 February 2022	£0.01725	8,153,968

Share-based payments

There were no options issued during the year.

Share warrants

	Weighted average exercise price 2018 £	Number of warrants 2018	Weighted average exercise price 2017 £	Number of warrants 2017
Exercisable at the beginning of the year	**0.03245**	**103,745,559**	0.0583	15,651,338
Expired during the year	**0.0721**	**(427,766)**	0.2363	(485,963)
Granted during the year	**0.01257**	**95,357,143**	0.0290	88,580,184
Exercisable at the end of the year	**0.010682**	**198,674,936**	0.03245	103,745,559

The warrants outstanding at the end of the year have the following expiry date and exercise prices:

Date granted	Expiry Date	Exercise Price £	No. of Warrants
23 November 2015	22 November 2018	0.08	4,500,000
8 December 2015	7 December 2018	0.08	1,750,000
9 March 2016	8 March 2019	0.0656	858,779
4 April 2016	3 April 2019	0.0562	583,333
6 May 2016	5 May 2019	0.0532	404,930
2 June 2016	1 June 2019	0.0456	473,901
6 September 2016	5 September 2019	0.01	2,000,000
6 September 2016	5 September 2019	0.03	2,500,000
6 September 2016	5 September 2019	0.02	1,000,000
20 September 2016	19 September 2019	0.03	666,667
2 June 2017	1 June 2020	0.018	2,777,778
6 June 2017	5 June 2020	0.01	2,767,820
6 June 2017	5 June 2022	0.02	55,356,391
6 June 2017	5 June 2022	0.05	27,678,195
30 July 2018	29 July 2020	0.0125	92,857,143
30 July 2018	29 July 2020	0.015	2,500,000

14 Trade and other payables

	Group		Company	
	2018 **£**	2017 £	**2018** **£**	2017 £
Trade payables	**47,864**	44,227	**41,797**	34,104
Social security and employee taxes	**9,240**	13,684	**9,240**	13,684
Other creditors and accruals	**35,712**	44,456	**24,625**	32,644
	92,816	102,367	**75,662**	80,432

15 Capital management

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop its mineral exploration and development and other activities to provide returns for shareholders and benefits for other stakeholders.

The Group's capital structure comprises all the components of equity (all share capital, share premium, retained earnings when earned and other reserves). When considering the future capital requirements of the Group and the potential to fund specific project development via debt, the Directors consider the risk characteristics of the underlying assets in assessing the optimal capital structure.

16 Related party transactions

	Group		Company	
	2018 **£**	2017 £	**2018** **£**	2017 £
Amounts owed to Directors	**11,960**	12,323	**11,960**	12,323

Details of Directors' emoluments are disclosed in Note 6. The amounts owed to Directors relate to accrued emoluments, consulting fees and expenses due.

The Directors are the only key management. Transactions with the Directors are disclosed in Note 18 and this note.

During the year the Company provided additional advances of £297,524 under a loan to Mercator Gold Australia Pty Ltd and charged expenses and management fees of £145,376. The balance owed to the Company is shown in Note 11.

The Company and the Group have no ultimate controlling party.

17 Commitments and contingencies

Capital expenditure commitment

As at 30 September 2018, the Group had no commitments (2017: £Nil).

The Group is committed to issuing a further AUD 150,000 worth of Ordinary Shares in ECR contingent on commercial production being established from either the Avoca or the Bailieston projects.

Operating lease commitments

Details of operating lease commitments are set out in Note 18 below.

18 Operating leases

The total amounts payable under:

Non–cancellable operating lease liabilities of the Group and Company are as follows:

Payable:	**2018** **£**	2017 £
Within 1 year	**–**	–

19 Financial instruments

Categories of financial instrument

Group	2018 £	2017 £
Financial assets (loans and receivables)		
Trade and other receivables (excluding prepayments)	**36,095**	46,884
Cash and cash equivalents	**781,142**	1,082,994
	817,237	1,129,878
Available for sale financial assets	**21,299**	22,269
	21,299	22,269
Financial liabilities (amortised cost)		
Trade and other payables	**92,816**	102,367
	92,816	102,367

Company	2018 £	2017 £
Financial assets (loans and receivables)		
Trade and other receivables (excluding prepayments)	**966,520**	515,997
Cash and cash equivalents	**749,025**	1,046,787
	1,715,545	1,562,784
Available for sale financial assets	**21,299**	22,269
	21,299	22,269
Financial liabilities (amortised cost)		
Trade and other payables	**75,662**	80,432
	75,662	80,432

Risk management objectives and policies

The Group's principal financial assets comprise cash and cash equivalents, trade and other receivables, investments and prepayments. The Group's liabilities comprise trade payables, other payables including taxes and social security, and accrued expenses.

The Board determines as required the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts to mitigate financial risks.

Credit risk

The Group's cash at bank is held with reputable international banks. Cash is held either on current account or on short–term deposit at floating rates of interest determined by the relevant prevailing base rate. The fair value of cash and cash equivalents at 30 September 2017 and 30 September 2016 did not differ materially from their carrying value.

Market risk

The Group's financial instruments potentially affected by market risk include bank deposits, and trade payables. An analysis is required by IFRS 7, intended to illustrate the sensitivity of the Group's financial instruments (as at period end) to changes in market variables, being exchange rates and interest rates.

The Group's exposure to market risk is not considered to be material.

Interest rate risk

The Group has no material exposure to interest rate risk.

Since the interest accruing on bank deposits was relatively immaterial there is no material sensitivity to changes in interest rates.

Foreign currency risk

The Group is exposed to foreign currency risk in so far as some dealings with overseas subsidiary undertakings are in foreign currencies.

19 Financial instruments *continued*

Fair value of financial instruments

The fair values of the Company's financial instruments at 30 September 2018 and 30 September 2017 did not differ materially from their carrying values.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, by the level in the fair value hierarchy into which the measurement is categorised.

Group and Company

30 September 2018	Level 1 £	Level 2 £	Level 3 £	Total £
Available for sale financial assets	**21,299**	**–**	**–**	**21,299**
	21,299	**–**	**–**	**21,299**

Group and Company

30 September 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Available for sale financial assets	22,269	–	–	22,269
	22,269	–	–	22,269

Liquidity risk

The Group finances its operations primarily through the issue of equity share capital and debt in order to ensure sufficient cash resources are maintained to meet short–term liabilities and future project development requirements. Management monitors availability of funds in relation to forecast expenditures in order to ensure timely fundraising. Funds are raised in discrete tranches to finance activities for limited periods.

Funds surplus to immediate requirements may be placed in liquid, low risk investments.

The Group's ability to raise finance is subject to market perceptions of the success of its projects undertaken during the year and subsequently. Due to the uncertain state of financial markets there can be no certainty that future funding will continue to be available.

The table below sets out the maturity profile of financial liabilities as at 30 September 2018.

	2018 £	2017 £
Due in less than 1 month	**92,816**	102,367
Due between 1 and 3 months	**–**	–
Due between 3 months and 1 year	**–**	–
Due after 1 year	**–**	–
	92,816	102,367

20 Segmental report

The Group is engaged in mineral exploration and development. Management does not segment the mineral exploration activity by geographical region when evaluating performance.

21 Cash used in operations

		Group		Company	
	Note	**Year ended 30 September 2018 £**	Year ended 30 September 2017 £	**Year ended 30 September 2018 £**	Year ended 30 September 2017 £
Operating activities					
Loss for the year before tax		**(550,019)**	(511,124)	**(373,149)**	(208,774)
Adjustments:					
Depreciation expense property, plant and equipment	*8*	**5,661**	3,717	**5,257**	3,299
(Gain)/Loss on available for sale assets		**970**	(1,255)	**970**	(1,255)
Interest income		**(1,386)**	(353)	**(1,286)**	(233)
Share based payments		**–**	67,542	**–**	67,542
Increase in accounts receivable		**(24,525)**	(36,899)	**(189,769)**	(265,235)
Increase in taxation		**–**	28,212	**–**	220
Decrease in accounts payable		**(9,551)**	(199,876)	**(4,753)**	(187,891)
Shares issued in lieu of expense payments		**15,000**	81,019	**15,000**	81,019
Net cash flow used in operations		**(563,850)**	(569,016)	**(547,730)**	(511,307)

22 Events after the reporting date

- On 21 December 2018 the Company announced a placing of 100,000,000 new ordinary shares for gross proceeds of £700,000. Each placing share was issued with a warrant to subscribe for a further new ordinary share.
- On 22 February 2019, the Company announced the appointment of Samuel James Melville Garrett as a non-executive director with immediate effect.

PLEASE NOTE THAT THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, please consult your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have recently sold or transferred all of your ordinary shares in ECR Minerals PLC, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or transferred only part of your holding of ordinary shares in ECR Minerals PLC, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

ECR MINERALS PLC

(the "Company")

(Registered in England and Wales No 05079979)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD on **23 April 2019 at 9.00 a.m.** for the purpose of considering and, if thought fit, passing Resolutions 1 to 5 as ordinary resolutions, and Resolutions 6 and 7 as special resolutions:

Ordinary Resolutions

1 To receive, consider and adopt the annual accounts of the Company for the year ended 30 September 2018, together with the reports of the directors and auditors thereon.

2 That Samuel James Melville Garrett, a director retiring in accordance with article 79.1.1 of the Company's articles of association, be elected as a director of the Company.

3 To re-appoint PKF Littlejohn LLP as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

4 To authorise the audit committee to determine the remuneration of the auditors of the Company.

5 That the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**CA 2006**") to exercise all the powers of the Company to allot shares or grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £10,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 30 June 2020 or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

Special Resolutions

6 That, subject to the passing of Resolution 5, the directors be empowered to allot equity securities (as defined by section 560 of the CA 2006) pursuant to the authority conferred by Resolution 5 for cash, and/or sell treasury shares for cash, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities of up to an aggregate nominal value of £10,000. The authority granted by this resolution will expire at the conclusion of the Company's next annual general meeting after this resolution is passed or, if earlier, at the close of business on 30 June 2020 save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

7 That the Company be generally and unconditionally authorised for the purposes of section 701 of the CA 2006 to make one or more market purchases (as defined in section 693(4) of the CA 2006) of its ordinary shares with nominal value of £0.00001 each in the Company, provided that:

7.1 the Company does not purchase under this authority more than 44,584,078 ordinary shares;

7.2 the Company does not pay less than £0.00001 for each ordinary share; and

7.3 the Company does not pay more per ordinary share than the higher of (i) an amount equal to 5 per cent. over the average of the middle-market price of the ordinary shares for the five business days immediately preceding the day on which the Company agrees to buy the shares concerned, based on share prices published in the Daily Official List of the London Stock Exchange; and (ii) the amount stipulated by the regulatory technical standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No. 596/2014.

This authority shall continue until the conclusion of the Company's annual general meeting in 2020 or 30 June 2020, whichever is the earlier, provided that if the Company has agreed before this date to purchase ordinary shares where these purchases will or may be executed after the authority terminates (either wholly or in part) the Company may complete such purchases.

By order of the board

Craig Brown
Director and Company Secretary

Registered Office:
Unit 117, Chester House
81-83 Fulham High Street
Fulham Green
London, SW6 3JA

29 March 2019

NOTES ON RESOLUTIONS

The following paragraphs explain, in summary, the resolutions to be proposed at the annual general meeting (the "Meeting").

Resolution 1: Receipt of the annual accounts

Resolution 1 proposes that the Company's annual accounts for the period ended 30 September 2018, together with the reports of the directors and auditors on these accounts, be received, considered and adopted.

Resolution 2: Election of Samuel James Melville Garrett

Resolution 2 proposes that Mr Garrett, who was appointed since the last Annual General Meeting of the Company and is retiring in accordance with article 79.1.1 of the Company's articles of association, be elected as a director of the Company.

Resolution 3: Re-appointment of auditor

Resolution 3 proposes the reappointment of the Company's existing auditor to hold office until the end of the next annual general meeting.

Resolution 4: Remuneration of auditor

Resolution 4 is to authorise the audit committee of the Company to determine the remuneration of the Company's auditors.

Resolution 5: Authority to allot shares

Resolution 5 is to renew the directors' power to allot shares in accordance with section 551 of the CA 2006. The authority granted at the annual general meeting on 24 April 2018 is due to expire on 23 April 2019 (i.e. the proposed date of the forthcoming annual general meeting).

If passed, the resolution will authorise the directors to allot equity securities up to a maximum nominal amount of £10,000, which represents approximately 224% of the Company's issued ordinary shares as at 28 March 2019 (being the latest practicable date before publication of this document).

If given, these authorities will expire at the annual general meeting in 2020 or on 30 June 2020, whichever is the earlier.

The directors have no present intention to issue new ordinary shares, other than pursuant to the exercise of options or warrants. However, the directors consider it prudent to maintain the flexibility to take advantage of business opportunities that this authority provides.

As at the date of this document the Company does not hold any ordinary shares in the capital of the Company in treasury.

Resolution 6: Disapplication of pre-emption rights

Resolution 6 is to grant the directors the authority to allot equity securities for cash or sell any shares held in treasury otherwise than to existing shareholders pro rata to their holdings, as there may be occasions where it is in the best interests of the Company not to be required to first offer such shares to existing shareholders.

Accordingly, resolution 6 will be proposed as a special resolution to grant such a power and will permit the directors, pursuant to the authority granted by resolution 5, to allot equity securities (as defined by section 560 of the CA 2006) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings up to a maximum nominal value of £10,000 representing approximately 224% of the Company's issued ordinary shares as at 28 March 2019 (being the latest practicable date before publication of this document). If given, this authority will expire at the annual general meeting in 2020 or on 30 June 2020, whichever is the earlier.

Resolution 7: Purchase of own shares

Resolution 7 will be proposed as a special resolution and will give the Company authority to purchase its own shares in the markets up to a limit of 10 per cent. of its issued ordinary share capital. The maximum and minimum prices are stated in the resolution. Your directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares.

Your directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally. In the event that shares are purchased, they would either be cancelled (and the number of shares in issue would be reduced accordingly) or, in accordance with the CA 2006, be retained as treasury shares.

If given, this authority will expire at the annual general meeting in 2020 or on 30 June 2020, whichever is the earlier.

As at 28 March 2019, the total number of outstanding options and warrants over ordinary shares in the Company was 309,179,606, which represents approximately 69 per cent. of the Company's voting rights at that date. If the Company were to purchase its own ordinary shares to the fullest possible extent of its authority from shareholders (existing and being sought), this number of outstanding options and warrants could potentially represent 82 per cent. of the voting rights of the Company as at 28 March 2019.

SHAREHOLDER NOTES

The following notes provide more detailed information about your voting rights, and how you may exercise them.

1 A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2 Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.

3 An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company by one of the following methods:

3.1 in hard copy form by post, by courier or by hand to the Company's registrars, Computershare Investor Services plc, at the address shown on the form of proxy; or

3.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case must be received by the Company by 9.00 a.m. on 17 April 2019 or in the case of any adjourned meeting 48 hours (excluding non-business days) before the adjourned meeting.

Please note that any electronic communication sent to us/our registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.

4 In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

5 Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6 To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services plc. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as revoking the other or others.

7 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Computershare Investor Services plc (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

9 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11 Only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 17 April 2019 (or, if the meeting is adjourned, on the date which is 48 hours (excluding non-business days) before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.

12 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

13 You may not use any electronic address provided either in this notice of general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

14 As at 28 March 2019 (being the last business day before the publication of this notice), the Company's issued ordinary share capital consisted of 445,840,783 ordinary shares carrying one vote each. The Company does not hold any shares in treasury. In addition, there are 72,674,911 deferred shares of £0.099 each, 3,867,029,332 deferred B shares of £0.00099 each and 129,226,440 deferred shares of £0.00199 each which do not carry voting rights.

15 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

15.1 to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

15.2 the answer has already been given on a website in the form of an answer to a question; or

15.3 it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

16 Information regarding the meeting is available from www.ecrminerals.com.

Company Information

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Craig William Brown
Director & CEO

Samuel Garrett
Non-Executive Director

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