Annual Report and Accounts 2014

The directors of ECR Minerals plc (the "Directors" or the "Board") present their report and audited financial statements for the year ended 30 September 2014 for ECR Minerals plc ("ECR", the "Company or the "Parent Company") and on a consolidated basis (the "Group")

Chairman's Statement

In my statement last year I talked about the transition made by ECR from a phase of restructuring and refinancing to active operations. During the past year the Group has indeed been operationally focused and we have made much progress on the ground, most notably at our Itogon gold project in the Philippines, but also in respect of our evaluation of the concept of small scale gold production at the SLM project in Argentina.

As Chairman of the Company I take the time to discuss our business and how it is perceived with our investors and market participants generally. I note the frustration in some quarters with what may seem to be slower progress than anticipated.

Whilst we would have preferred to have undertaken even more operational activity, that desire for activity and progress on the ground has to be tempered by the availability of funding and as outlined by Stephen in his report, the environment for listed companies in the mineral sector is perniciously poor and has been increasingly so over recent years.

In addition, the practicalities of thorough exploration mean that time needs to be taken to carefully plan and execute work programmes. The price of such diligence is time taken in delivery, but the outcome should be a more cost effective operation. I believe this approach builds a stronger and more investable company going forward.

The ECR organisation is quite a small one as far as the number of individuals comprising the Board, field team and administrative staff is concerned. As a result all team members bear a great degree of responsibility. I would like to thank all members of the team for their work during the last year. In exploration companies, very often field staff are the unsung heroes. During my visit to the Philippines in October 2014, I observed the professionalism and capability of the team on the ground there. From a Board perspective we are fortunate to have Stephen Clayson as CEO. Stephen manages the vast array of plc matters and field operations extremely well and is key to the successful continuation of ECR's existing projects and the negotiation of new opportunities. Dick Watts as Technical Director brings not only a great deal of knowledge but also a tough, common sense approach to decision making; these are qualities which are much needed but oft lacking in small cap mineral companies.

ECR is an ambitious company, and whilst the Group is already active in the Philippines and Argentina we are seeking new opportunities that fit the project selection criteria we have discussed before, and in this regard we are working intensively to review a small number of projects and interests. Regrettably, for commercial and regulatory reasons, the specifics of the work we are undertaking cannot be disclosed unless a transaction is finalised. That makes it impossible for investors to see the full extent of the work the team are undertaking. I would however like to reassure investors that we will only engage with opportunities that could significantly enhance the ECR investment proposition, on terms that are not unreasonable given the Company's financial capabilities and available management time.

As a contrarian investor in the mineral sector I am excited by the opportunities a deep bear phase brings. I appreciate the support and commitment of private investors to this sector of the market in general and to ECR Minerals in particular. I remain available to investors at any time and can be reached via info@ecrminerals.com.

Paul Johnson
Non-Executive Chairman

4 March 2015

Chief Executive Officer's Report

Since my last report to shareholders, published on 27 June 2014, ECR's principal focus has remained on exploration at the Itogon and SLM gold projects in the Philippines and Argentina, respectively. Significant effort has also been devoted to the review of a small number of potential new opportunities. The work involved has been varied and often fascinating, and I would like to thank my fellow Directors, Paul Johnson and Richard (Dick) Watts, as well as our staff and consultants, for their valuable contributions to these activities.

I continue to look to ECR's future with optimism, notwithstanding the further deterioration which has occurred in financial market conditions for companies in the mineral sector. Perhaps the best bellwether of such conditions globally is found in the level of the TSX Venture Exchange Composite Index, which has declined approximately 30% since the beginning of September 2014, and is now at little over half the level at which it began 2013, and less than a third of its 2011 high.

This state of affairs is reflected in the valuation of virtually every company in the mineral sector, wherever its shares may be traded, and is ultimately dictated by the prices of mined commodities and expectations as to the most likely direction of those prices. These prices and expectations tend to be the single greatest influence on the valuation of both producing mines and exploration or development stage projects.

It is possible that conditions will worsen further, but it is also possible that a strong recovery is just around the corner. Either way, the world continues to demand mined commodities, and opportunities to create value in the mineral sector will remain for companies which take a disciplined and prudent approach to their activities. As such a company, it is the business of ECR to seek out and develop these opportunities.

It is not generally expected that mineral exploration and development companies will generate corporate profits. The classic exit from an investment in an exploration company is via a takeover, where a larger company acquires the explorer lock, stock and barrel in order to integrate the principal project of the latter into the wider business of the former. Projects can also be sold on a standalone basis, or may be developed all the way to production by the exploration company, which then graduates to the status of mining company. Much depends on the attributes of the project in question, but nothing is possible without exploration dollars first being spent on the ground, and accordingly, ECR's main focus is on advancing carefully selected exploration projects, with due regard to the innate risks but also with an eye to the significant rewards which may accompany exploration success.

ITOGON PROJECT, PHILIPPINES

The centre of ECR's activities remains the Itogon gold project in the northern Philippines. ECR is the operator of Itogon and has the right to earn a 50% interest in the project. The Company, in conjunction with its drilling contractor, is currently carrying out a 990m diamond drilling programme at Itogon.

The drilling programme has been designed in view of the results of reverse circulation (RC) drilling completed at Itogon in April 2014, and with the benefit of extensive surface and underground mapping and sampling which has taken place since then. The current drilling is primarily intended to provide information as to the orientation of the interpreted mineralised structures, the extent of near surface supergene enriched zones, and the continuity of certain zones of mineralisation intercepted by the RC drill holes.

SLM 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 ("Ochre"). Following completion of the detailed geological mapping exercise carried out in the latter part of 2014, it is planned that bulk sampling will commence at the Maestro Agüero prospect in March 2015. The Directors consider Maestro Agüero to be the most promising prospect at SLM on the basis of exploration results to date.

Ochre's channel sampling at Maestro Agüero has demonstrated the presence of moderate to high gold grades in narrow mesothermal quartz veins over a strike length of up to approximately 300m. However, it is apparent that gold grades change abruptly along strike, which is indicative of a nugget gold effect. In order to obtain a more representative indication of grade, it is planned that a bulk sample will be taken at Maestro Agüero in March 2015. Collection of the bulk sample will also provide additional information on the morphology of the veins.

FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

For the year to 30 September 2014 the Group recorded a total comprehensive expense attributable to shareholders of the Company of £1,858,040, compared with £7,528,366 for the year to 30 September 2013. As with last year and indeed the year before that, much of this year's expense occurred as a result of changes in the estimated value of the Company's interest in THEMAC Resources Group Ltd ("THEMAC"), reflected in the line items "impairment of available for sale assets" and "loss on revaluation of financial assets at fair value through profit or loss". Other major contributors were the loss on disposal of shares in THEMAC, referred to as "loss on disposal of available for sale financial asset", and of course the costs of operating the Company and carrying out exploration, comprised in the line item "other administrative expenses".

The Group's net assets as at 30 September 2014 were £4,609,044, in comparison with £6,269,458 at 30 September 2013. This decrease in net assets is mainly due to a fall in the estimated value of the Company's interest in THEMAC, comprised in the line items "available for sale financial assets" and "other financial assets", but also due to the inclusion of "interest bearing borrowings", which, it should be noted, represent a convertible loan received under a facility with YA Global Master SPV Ltd. This loan is expected to be repaid in full via conversions of principal and interest into new ordinary shares of the Company. ECR is also entitled to prepay the loan in cash. The principal terms of the convertible loan facility were announced on 3 September 2014.

As the net assets of the Company, at £4,918,670, are slightly less than half its called-up share capital, the Directors are compelled by section 656 of the Companies Act 2006 to call a general meeting to consider whether any, and if so what, steps should be taken to deal with the situation. Relevant here is the fact that for most of its existence since incorporation in 2004, ECR has operated as a different business with a different board of directors.

Initially this was as Mercator Gold plc, under which name the Company funded development of a gold mine in Australia that commenced production in 2007, only to fall into administration in 2008. The operating company of the Group in Australia, Mercator Gold Australia Pty Ltd ("MGA") was released from administration in late 2014. The assets of MGA were sold several years ago for the benefit of MGA's creditors. These assets had been obtained primarily using the proceeds of loans from the Company, the total amount of which is considered unlikely to be recovered. The funding used by the Company in order to make such loans was raised via the issuance of shares and convertible loan notes of the Company from 2004-2008. This issuance of shares is today reflected in the Company's share capital, but the corresponding assets are much reduced.

A similar process was repeated by the Company between 2009 and 2010, again under substantially the same board of directors as had presided over the Meekatharra investments, with respect to the Copper Flat project in New Mexico, USA. After substantial investment by the Company, again financed by the issuance of shares, an option over the Copper Flat project was sold to THEMAC, in exchange for a holding of common shares and common share purchase warrants of THEMAC. While the Group recorded a large profit in the year ended 30 September 2011 as a result of this transaction, the value of the shares and warrants fell drastically thereafter. Once again, the shares issued by the Company to fund this investment continue to be reflected in the Company's share capital, but the corresponding assets are much reduced. In the final reckoning, the Company's investments in the Meekatharra and Copper Flat projects were not successful. The same can be said of other, more minor investments made under the same board of directors.

However, the Board of the Company has been completely reconstituted since the time those investments were initiated. The Directors are strongly of the opinion that the international mineral exploration and development sector, although it is inherently high risk, can offer attractive investments for the Company, even in light of the present day financial constraints discussed earlier in this report. Moreover, the Directors believe that the Board as presently constituted is well suited to manage the process of identifying and making such investments successfully. Accordingly, the Company continues to invest in the Itogon and SLM projects, and potential new opportunities continue to be evaluated. On this basis, the Directors do not consider that any steps should be taken in respect of the level of the Company's net assets in relation to its share capital. Nevertheless, this year's annual general meeting, which will be held on 31 March 2015, will serve as a venue for the consideration of this matter, in accordance with the Companies Act 2006.

MERCATOR GOLD AUSTRALIA

In December 2014, MGA was released from external administration, to which it had been subject, as explained above, in 2008. MGA is a wholly owned subsidiary of the Company. As at 30 June 2014, MGA's accumulated tax losses are estimated to total A$80 million. This deferred tax asset gives MGA its value. The Company has been advised that under certain circumstances, its shares in MGA may be sold without invalidating MGA's tax losses. Given the absence within the Group of any income producing assets located in Australia, the high cost base of that country, and the highly competitive nature of its mineral exploration and development industry, it is the Company's intent to sell its shares in MGA in due course. Finding a buyer for these shares is, though, a process which is likely to take some time. Hence, MGA continues to be held as a non-current asset.

Stephen Clayson
Director & Chief Executive Officer

4 March 2015

Directors' Biographies

Paul Johnson
Non-Executive Chairman
(aged 45)

Paul Johnson has more than 20 years' investing experience and is a co-founder of MiningMaven, an investor communications service focused on the natural resources sector. He is a Chartered Accountant, an Associate of the Chartered Institute of Loss Adjusters and of the Chartered Insurance Institute, and a Member of the Business Continuity Institute. He holds a BSc (Hons) in Management Science from UMIST School of Management.

Stephen James Clayson
Director and Chief Executive Officer
(aged 29)

Stephen Clayson has a diverse background in the mineral sector, including corporate development roles for listed mining and exploration companies operating in South East and Central Asia, and has significant experience of successful mineral exploration and development projects. He became Chief Financial Officer of ECR in September 2010 and was appointed to the Board in April 2011 before becoming the Company's Chief Executive Officer in January 2013.

Richard Andrew Watts
Non-Executive Technical Director (aged 70)

Dick Watts is currently a Principal Mining Consultant for Bara Consulting, and has held numerous senior operational roles on gold, copper and coal mines in Africa, Russia and Central Asia. He is a Fellow of the South African Institute of Mining & Metallurgy and holds a B.Eng (Mining) from the University of Sheffield along with a Mine Manager's Certificate (South Africa) and a First Class Certificate of Competency (UK mine manager's qualification).

Strategic Report

The Directors of the Company present their Strategic Report for the year ended 30 September 2014.

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, it is also considering opportunities in other mineral commodities.

Current areas of activity are in Argentina and the Philippines, and the Group continues to review potential new investments on a highly selective basis, with a concentration on precious, base and strategic metals projects in Asia and South America.

Organisation Review

The Company is incorporated in England but it operates in other countries through foreign subsidiaries and contractual arrangements. The Board is based in the United Kingdom with the exception of Stephen Clayson, who is based overseas. 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 is 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 Group's activities in the Philippines are undertaken under the auspices of an earn-in and joint venture agreement (the "Agreement") between the Company, Cordillera Tiger Gold Resources, Inc. ("Cordillera Tiger") and Tiger International Resources, Inc. ("Tiger"). Tiger is incorporated in British Columbia, Canada and its shares are traded on the TSX Venture Exchange. Tiger is the parent company of Cordillera Tiger. Further details of the Group's operations 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 the other personnel of the Group is employed to add value to the Group's projects.

The Company has three male Directors and two female administrative staff.

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 project finance appropriate to the stage of development and potential of each project may be considered.

Financial & Performance Review

The Group's on-going activities are solely in mineral exploration and development. It is not in production at either of its current projects and hence the Company has no income.

For the year to 30 September 2014 the Group recorded a total comprehensive expense attributable to shareholders of the Company of £1,858,040, compared with £7,528,366 for the year to 30 September 2013. As with last year and indeed the year before that, much of this year's expense occurred as a result of changes in the estimated value of the Company's interest in THEMAC Resources Group Ltd ("THEMAC"), reflected in the line items "impairment of available for sale assets" and "loss on revaluation of financial assets at fair value through profit or loss". Other major contributors were the loss on disposal of shares in THEMAC, referred to as "loss on disposal of available for sale financial asset", and of course the costs of operating the Company and carrying out exploration, comprised in the line item "other administrative expenses".

The Group's net assets as at 30 September 2014 were £4,609,044, in comparison with £6,269,458 at 30 September 2013. This decrease in net assets is mainly due to a fall in the estimated value of the Company's interest in THEMAC, comprised in the line items "available for sale financial assets" and "other financial assets", but also due to the inclusion of "interest bearing borrowings", which, represent convertible loans received under a facility with YA Global Master SPV Ltd. These loans are expected to be repaid via conversions of principal and interest into new ordinary shares of the Company.

Significant exploration activity took place during the year to 30 September 2014, as discussed 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 higher or lower.

The Company's other main asset, held under "Other receivables" relates to its non-consolidated Australian subsidiary, Mercator Gold Australia Pty Ltd ("MGA"). As at 30 June 2014, MGA's accumulated tax losses are estimated to total A$80 million. The Directors have received confirmation from Australian tax advisors that these losses should, subject to certain conditions, be able to be utilised against future profits of MGA. In December 2014, MGA was released from external administration. The Company has been advised that under certain circumstances, its shares in MGA may be sold without invalidating MGA's tax losses. Given the absence within the Group of any income producing assets located in Australia, the high cost base of that country, and the highly competitive nature of its mineral exploration and development industry, it is the Company's intent to sell its shares in MGA in due course.

Strategy and Business Model

The Company's strategy is to locate and acquire mineral projects which show good prospects. The Directors select these projects after a very 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 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 Company'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 by 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 Company's activities to be somewhat mitigated.

The business model requires the retention of a small core team, 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 identified some key KPIs which are of relevance. These are detailed below.

Project development: The Company reports the achievement of exploration and development targets, including geological results. The delineation of mineral resources and ultimately mineral reserves under internationally recognised protocols may also be important KPIs. During the year significant geological results were obtained, including by means of the completion of 1,004m of reverse circulation drilling and multiple phases of surface and underground channel sampling at the Itogon project. The Directors consider that exploration work by the Group at the Itogon and SLM projects was executed to a high standard.

Share price: The Board monitors the Company's share price and regularly compares its performance with that of its peer group. This KPI may be considered to measure, amongst other things, the effectiveness of the Company's interface with investors, both private and institutional. It is also key to optimising both the amount and the timing of its equity financings. The Company's share price on AIM declined approximately 28% between 30 September 2013 and 30 September 2014, and exhibited considerable volatility. The Directors consider this performance be generally in line with that of the Company's peer group.

Rate of cash burn: This KPI is of critical importance, especially during periods when the raising of new finance is problematic. 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 £642,056 of cash and cash equivalents at 30 September 2014, versus £1,238,562 at the beginning of the year, despite net cash from financing activities of £830,909. Exploration assets increased by £624,142 during the year, as a result of the capitalisation of exploration expenditure. The Directors consider the performance of the Group in these regards to be within industry norms.

Operating Review

As mentioned above, the Group's current operations are located in the Philippines and in Argentina. Additional projects are currently under review in line with the strategy discussed earlier in this report. No interests in new projects have been acquired at the date hereof and consequently this review focuses on the Company's existing operations.

Itogon gold project, Philippines

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

The Agreement gives ECR the exclusive right and option to earn a 50% interest in Cordillera Tiger and thereby in the Itogon project by obtaining, for Cordillera Tiger, a mining licence in respect of the project within five years of commencement of the earn-in and by making certain staged payments to Tiger.

Under the terms of the earn-in, ECR will fund all expenditure required for Cordillera Tiger to obtain a mining licence, and through Cordillera Tiger, ECR will be the operator of the Itogon project during the earn-in. In the event a mining licence is obtained ECR and Tiger would fund development of the project pro rata, or the non-funding partner would be diluted.

The earn-in has commenced and exploration is now underway with ECR, through Cordillera Tiger, as the operator of the project. It is hoped that completion of exploration programmes will add significant value to ECR's rights in respect of the Itogon project by enabling an accurate, up-to-date picture of the project's economic potential to be generated. Nevertheless, each phase of exploration is subject to the results of prior phases, and after each phase ECR will determine on the basis of the results obtained whether to continue with the earn-in.

At present, the Itogon gold project is the centre of ECR's activities. The Company, in conjunction with its drilling contractor, is currently carrying out a 990m diamond drilling programme at Itogon. The drilling programme has been designed in view of the results of reverse circulation (RC) drilling completed at Itogon in April 2014, and with the benefit of extensive surface and underground mapping and sampling which has taken place since then. The current drilling is primarily intended to provide information as to the orientation of the interpreted mineralised structures, the extent of near surface supergene enriched zones, and the continuity of certain zones of mineralisation intercepted by the RC drill holes.

SLM gold project, Philippines

The SLM project is located in La Rioja Province, Argentina and is 100% held by ECR's wholly owned subsidiary Ochre Mining SA. Following completion of a detailed geological mapping exercise carried out in the latter part of 2014, it is planned that bulk sampling will commence at the Maestro Agüero prospect in March 2015. The Directors consider Maestro Agüero to be the most promising prospect at SLM on the basis of exploration results to date.

Ochre's channel sampling at Maestro Agüero has demonstrated the presence of moderate to high gold grades in narrow mesothermal quartz veins over a strike length of up to approximately 300m. However, it is apparent that gold grades change abruptly along strike, which is indicative of a nugget gold effect. In order to obtain a more representative indication of grade, it is planned that a bulk sample will be taken at Maestro Agüero in March 2015. Collection of the bulk sample will also provide additional information on the morphology of the veins.

Risks and Uncertainties

The Directors regularly review the risks and uncertainties to which the Group is exposed and seeks 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. However, the Directors believe strongly that the Group's current exploration projects have good indications of economically viable mineralisation and hence are resolved to continue exploration. 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 (e.g. 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 in 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 Risk

This takes many forms and can exist in politically stable countries (enhanced environmental requirements, changes in taxation, etc.) as well as less developed countries (civil unrest, government expropriation of mineral assets, corruption, etc.). The fact that the Group has operations in multiple jurisdictions goes some way towards mitigating these risks.

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 2014 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

Companies whose shares are traded on AIM are not required to make an annual statement to shareholders concerning compliance with the UK Corporate Governance Code. ECR is committed to high standards of corporate governance and the Board complies with those guidelines of the Quoted Companies Alliance as are commensurate with the size of the Company, the nature of its activities and its stage of development.

The Board currently comprises a non-executive Chairman, a Chief Executive Officer and Director, and a non-executive Director. The Board considers this to be a suitable size and structure in view of the Group's present activities and in view of the Company's listing on AIM.

Role of the Board

The Board's role is to set the Company's long-term strategy and direction, and to monitor its business objectives. It meets a minimum of four times a year and holds additional meetings when necessary. It receives reports for consideration on all strategic and operational matters of significance.

Directors also take external independent advice at the Company's expense in carrying out their duties and have access to the services of the Company Secretary.

The Board delegates certain of its responsibilities to the Audit and Remuneration Committees of the Board. These operate within clearly defined terms of reference.

Audit Committee

The Audit Committee comprises Paul Johnson and Stephen Clayson. It meets when appropriate to assist the Board in meeting its responsibilities for external financial reporting and internal controls. It reviews the scope and results of the audit as well as the cost effectiveness, independence and objectivity of the auditors.

Remuneration Committee

The Remuneration Committee comprises Paul Johnson and

Richard Watts and meets when appropriate to review and make recommendations on the remuneration arrangements including bonuses and options for the Company's executive directors and senior staff, ensuring that it reflects their performance and that of the Group. The remuneration and terms of appointment of non-executive directors are set by the Board as a whole.

Conflicts of Interest

The Board as a whole reviews actual and potential conflicts of interest of any of its members and the steps taken to mitigate the effects thereof.

Corporate Responsibility

The Board regularly reviews the significance of social, environmental and ethical matters affecting the Group's operations. It considers that the Company 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 abiding, where applicable, by the Guidelines of the Quoted Companies Alliance, including 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, including having in place an environmental policy 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 Company 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 employees' interests when making decisions and welcomes suggestions from employees which have the potential to improve the Group's performance.

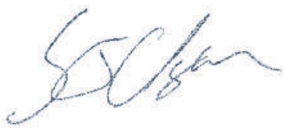
Suppliers and Contractors

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 via its Health & Safety Policy.

This Strategic Report was approved by the Directors on 4 March 2015.



Stephen Clayson
Director & 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 post balance sheet events are disclosed in Note 25.

Financial Risk Management Objectives and Policies

The Company 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, namely GBP, AUD, USD, Philippine and Argentine pesos, and the Board monitors and reviews this exposure on a regular basis.

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

The locations of the Group's principal activities are currently in Argentina and the Philippines 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 22 to the financial statements.

Position of the Company and Going Concern

At the date of this report the Company'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 Company's budgets and cash flow forecasts and the expected sources of financing available to it, the Directors are satisfied that the Company has sufficient resources to continue its operations and to meet its commitments for the foreseeable future. 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. In addition, during the year the Company entered into an agreement in relation to a convertible loan facility (the "Facility") of up to US$10 million to be made available by YA Global Master SPV Ltd (the "Investor"). The Facility, which will be available to the Company for 3 years, provided for an initial loan tranche of principal amount US$1.5 million (the "Initial Tranche"), which was drawn down by ECR in September 2014 for net proceeds of US$1,371,000. A further loan under the facility, in three tranches totalling US$750,000 in principal amount (for expected net proceeds of US$690,683), was agreed in February 2015. The Directors believe further loans are likely to be available under the facility in future, should they be required, although neither the Company nor the Investor is under any obligation to agree to any further loan. Further information regarding the Facility is disclosed in Note 16.

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.

Dividends and Profit Retention

The results for the year are set out in the Consolidated Income Statement on page 14. No dividend is proposed in respect of the year (2013: nil). The Group loss for the year of £1.75 million (2013 loss of £7.32 million) has been taken to reserves together with the comprehensive income and expenses set out on page 15.

Directors

The Directors who served during the year were:

Stephen James Clayson
Paul Johnson
Richard Andrew Watts

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.

In accordance with the above, Stephen Clayson is required to retire at the forthcoming annual general meeting.

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 relating to Directors dealings and will take all reasonable steps to ensure compliance by the Company's Directors and applicable employees.

Directors' Interests

Directors who held office at 30 September 2014 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.

	30 September 2014 no. of shares	30 September 2013 no. of shares
S J Clayson	18,734,890	17,234,890
P Johnson	28,947,810	26,447,810
R A Watts	14,250,000	13,250,000
	61,932,700	56,932,700

Additionally, Directors of the Company who held office at 30 September 2014 held the following share options granted under the Company's unapproved share option scheme:

	Options issued	Date issued	Expiry date	Exercise price
S J Clayson	3,900,000	6/1/2011	6/1/2021	£0.025
	55,045,872	12/8/2013	12/8/2018	£0.002
P Johnson	27,522,936	12/8/2013	12/8/2018	£0.002
R A Watts	19,816,514	12/8/2013	12/8/2018	£0.002

Share Capital and Substantial Share Interests

On 27 February 2015, the Company was aware of the following holdings of 3% or more in Company's issued share capital of 3,501,404,283 ordinary shares of £0.001 each.

Holding Registered Shareholder	Number of shares	%
Barclayshare Nominees Ltd	448,650,053	12.81
TD Direct Investing Nominees (Europe) Ltd	346,834,297	9.91
HSDL Nominees Ltd	337,231,728	9.63
HSBC Client Holdings Nominee (UK) Ltd	285,507,569	8.15
Investor Nominees Ltd	178,707,565	5.10
HSDL Nominees Ltd	166,915,739	4.77
Hargreaves Lansdown (Nominees) Ltd	157,681,343	4.50
Hargreaves Lansdown (Nominees) Ltd	142,895,044	4.08
Share Nominees Ltd	138,715,560	3.96
Hargreaves Lansdown (Nominees) Ltd	122,844,913	3.51
Investor Nominees Ltd	115,044,500	3.29

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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Auditors

Nexia Smith & Williamson have expressed their willingness to continue in office as auditors of the Company and a resolution to confirm their appointment will be proposed at the forthcoming annual general meeting.

Annual General Meeting

The annual general meeting of the Company will be held at 9.30am on Tuesday 31 March 2015 at the East India Club, 16 St James's Square, London SW1Y 4LH. Notice of the annual general meeting is on pages 38 to 39.

This report was approved by the Board on 4 March 2015.

By order of the Board

Stephen Clayson
Director & Chief Executive Officer

Independent Auditor's Report

For the year ended 30 September 2014

Independent auditor's report to the members of ECR Minerals plc

We have audited the financial statements of ECR Minerals plc for the year ended 30 September 2014 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and the related notes 1 to 25. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2014 and of the group'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.

Emphasis of matter – amount owed by former subsidiary

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 11 to the financial statements concerning the company's and group's ability to recover an amount due from a former subsidiary, Mercator Gold Australia Pty Ltd ("MGA"), of £3,228,390, after an impairment provision made in previous years of £31,849,884.

At 30 September 2014 MGA was subject to a Deed of Company Administration ("DOCA") and has no tangible assets. At 30 September 2014 control of MGA had not passed back to the group as the DOCA had not been fully effectuated and creditors dealt with. It is estimated the full amount of tax losses accumulated by MGA currently totals A$80 million. The group is intending to identify and enter into projects which will generate surplus funds in MGA and enable it to repay the amount due to the company and the group up to at least the carrying value.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

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

Nexia Smith & Williamson

Guy Swarbreck
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London EC2R 6AY

4 March 2015

Consolidated Income Statement

For the year ended 30 September 2014

ECR Minerals plc company no. 5079979

	Note	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Continuing operations			
Other administrative expenses		**(824,639)**	(980,527)
Impairment of available for sale financial assets		–	(26,216)
Impairment of available for sale assets	*9*	**(600,645)**	(2,317,004)
Currency exchange differences		**9,609**	(2,811)
Impairment of other current assets		–	(38,282)
Total administrative expenses		**(1,415,675)**	(3,364,840)
Operating loss	*3*	**(1,415,675)**	(3,364,840)
Loss on extinguishment of debt by equity	*16*	–	(68,119)
Loss on revaluation of financial assets at fair value through profit or loss	*9*	**(202,618)**	(2,434,564)
Loss on disposal of available for sale financial asset		**(121,922)**	(327,739)
Reclassification of fair value movements on disposal of available for sale assets	*9*	**14,750**	(702,919)
		(1,725,465)	(6,898,181)
Finance income		**654**	78
Finance costs		**(21,586)**	(622,769)
Finance income and costs	*7*	**(20,932)**	(622,691)
Loss for the year before taxation		**(1,746,397)**	(7,520,872)
Income tax	*5*	–	–
Loss for the year from continuing operations		**(1,746,397)**	(7,520,872)
Discontinued operations			
Profit for the year from discontinued operations	*13*	–	200,276
Loss for the year		**(1,746,397)**	(7,320,596)
Attributable to owners of the parent		**(1,746,397)**	(7,311,371)
Attributable to non-controlling interests		–	(9,225)
		(1,746,397)	(7,320,596)
Loss per share – basic and diluted	*4*		
On continuing operations		**(0.05)p**	(0.49)p
On discontinued operations		–	0.01p
On continuing and discontinued operations		**(0.05)p**	(0.48)p

The loss for the Parent Company for the year was £1,669,949 (2013: £7,467,371).

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2014

ECR Minerals plc company no. 5079979

	Note	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Loss for the year		**(1,746,397)**	(7,320,596)
Items that may be reclassified subsequently to profit or loss			
Fair value movements on available for sale assets	*9*	–	(3,093,554)
Reclassification of fair value movements to Income Statement :			
on disposal of available for sale assets	*9*	**(14,750)**	702,919
on impairment of available for sale assets	*9*	–	2,317,004
Reclassification of exchange differences to Income Statement:			
on disposal of foreign subsidiary		–	(135,518)
Loss on exchange translation		**(96,893)**	(7,846)
Other comprehensive expense for the year		**(111,643)**	(216,995)
Total comprehensive expense for the year		**(1,858,040)**	(7,537,591)
Attributable to:			
Owners of the parent		**(1,858,040)**	(7,528,366)
Non-controlling interest		–	(9,225)
Total comprehensive expense for the year		**(1,858,040)**	(7,537,591)

Consolidated & Company Statement of Financial Position

At 30 September 2014 ECR Minerals plc company no. 5079979

		Group		Company	
	Note	30 September 2014 £	30 September 2013 £	30 September 2014 £	30 September 2013 £
Assets					
Non-current assets					
Property, plant and equipment	*8*	**10,820**	711	**10,642**	–
Investments in subsidiaries	*9*	–	–	**624,008**	451,893
Exploration assets	*10*	**1,422,493**	894,145	**1,165,062**	603,073
Other receivables	*11*	**3,228,390**	3,228,390	**3,228,390**	3,228,390
		4,661,703	4,123,246	**5,028,102**	4,283,356
Current assets					
Trade and other receivables	*11*	**174,051**	30,099	**147,154**	–
Available for sale financial assets	*9*	**178,866**	978,453	**178,866**	978,453
Other financial assets	*9*	**26,196**	228,814	**26,196**	228,814
Taxation		**2,380**	19,699	**2,380**	19,699
Other current assets		**2,672**	2,672	**2,672**	2,672
Cash and cash equivalents	*12*	**642,056**	1,238,562	**609,400**	1,238,428
		1,026,221	2,498,299	**966,668**	2,468,066
Total assets		**5,687,924**	6,621,545	**5,994,770**	6,751,422
Current liabilities					
Trade and other payables	*15*	**284,819**	352,087	**282,039**	345,679
Interest bearing borrowings	*16*	**794,061**	–	**794,061**	–
		1,078,880	352,087	**1,076,100**	345,679
Total liabilities		**1,078,880**	352,087	**1,076,100**	345,679
Net assets		**4,609,044**	6,269,458	**4,918,670**	6,405,743
Equity attributable to owners of the parent					
Share capital	*14*	**10,483,166**	10,453,946	**10,483,166**	10,453,946
Share premium	*14*	**40,131,118**	40,096,112	**40,131,118**	40,096,112
Exchange reserve		**(91,842)**	5,051	–	–
Other reserves		**485,160**	351,760	**485,160**	351,760
Retained losses		**(46,398,558)**	(44,637,411)	**(46,180,774)**	(44,496,075)
		4,609,044	6,269,458	**4,918,670**	6,405,743
Total equity		**4,609,044**	6,269,458	**4,918,670**	6,405,743

The notes on pages 20 to 37 are an integral part of these consolidated financial statements.

The financial statements on pages 14 to 37 were approved and authorised for issue by the Directors on 4 March 2015 and were signed on its behalf by:

Paul Johnson
Non-Executive Chairman

Stephen Clayson
Director & Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended 30 September 2014 ECR Minerals plc company no. 5079979

Group	Share capital (Note 14) £	Share premium (Note 14) £	Exchange reserves £	Other reserves £	Retained reserves £	Non-controlling interest £	Total £
Balance at 1 October 2012	8,104,909	38,894,900	148,415	473,733	(37,436,291)	38,461	**10,224,127**
Loss for the year	–	–	–	–	(7,311,371)	(9,225)	**(7,320,596)**
Reclassification of exchange differences on disposal of subsidiary	–	–	(135,518)	–	–	–	**(135,518)**
Available for sale financial assets fair value movements	–	–	–	–	(3,093,554)	–	**(3,093,554)**
Reclassification of fair value movements to Income Statement:							
on disposal of available for sale assets	–	–	–	–	702,919	–	**702,919**
on impairment of available for sale assets	–	–	–	–	2,317,004	–	**2,317,004**
Loss on exchange translation	–	–	(7,846)	–	–	–	**(7,846)**
Total comprehensive expense	–	–	(143,364)	–	(7,385,002)	(9,225)	**(7,537,591)**
Share options lapsed	–	–	–	(154,440)	154,440	–	–
Conversion of loan notes	629,168	97,533	–	(97,533)	–	–	**629,168**
Shares issued for loans advanced	198,327	347,273	–	–	–	–	**545,600**
Shares issued in payment of creditors	120,513	82,915	–	–	–	–	**203,428**
Share issue costs	–	(60,480)	–	–	–	–	**(60,480)**
Share–based payments	–	–	–	130,000	–	–	**130,000**
Share warrants exercised	392,500	392,500	–	–	–	–	**785,000**
Issue of shares	1,008,529	341,471	–	–	–	–	**1,350,000**
Adjustment on disposal of subsidiaries	–	–	–	–	29,442	(29,236)	**206**
Balance at 30 September 2013	10,453,946	40,096,112	5,051	351,760	(44,637,411)	–	**6,269,458**
Loss for the year	–	–	–	–	(1,746,397)	–	**(1,746,397)**
Reclassification of fair value movements to Income Statement:							
on disposal of available for sale assets	–	–	–	–	(14,750)	–	**(14,750)**
Loss on exchange translation	–	–	(96,893)	–	–	–	**(96,893)**
Total comprehensive expense	–	–	(96,893)	–	(1,761,147)	–	**(1,858,040)**
Conversion of loan notes	28,066	33,625	–	–	–	–	**61,691**
Warrants issued in lieu of finance cost	–	–	–	133,400	–	–	**133,400**
Shares issued in payment of creditors	1,154	1,381	–	–	–	–	**2,535**
Balance at 30 September 2014	10,483,166	40,131,118	(91,842)	485,160	(46,398,558)	–	**4,609,044**

Company Statement of Changes in Equity

For the year ended 30 September 2014 ECR Minerals plc company no. 5079979

Company	Share capital (Note 14) £	Share premium (Note 14) £	Retained reserves £	Other reserves £	Total £
Balance at 1 October 2012	8,104,909	38,894,900	(37,109,513)	473,733	**10,364,029**
Loss for the year	–	–	(7,467,371)	–	**(7,467,371)**
Available for sale financial assets fair value movements	–	–	(3,093,554)	–	**(3,093,554)**
Reclassification of fair value movements to Income Statement:					
on disposal of available for sale assets	–	–	702,919	–	**702,919**
on impairment of available for sale assets	–	–	2,317,004	–	**2,317,004**
Total comprehensive expense	–	–	(7,541,002)	–	**(7,541,002)**
Share options lapsed	–	–	154,440	(154,440)	–
Conversion of loan notes	629,168	97,533	–	(97,533)	**629,168**
Shares issued for loans advanced	198,327	347,273	–	–	**545,600**
Shares issued in payment of creditors	120,513	82,915	–	–	**203,428**
Share issue costs	–	(60,480)	–	–	**(60,480)**
Share–based payments	–	–	–	130,000	**130,000**
Share warrants exercised	392,500	392,500	–	–	**785,000**
Issue of shares	1,008,529	341,471	–	–	**1,350,000**
Balance at 30 September 2013	10,453,946	40,096,112	(44,496,075)	351,760	**6,405,743**
Loss for the year	–	–	(1,669,949)	–	**(1,669,949)**
Reclassification of fair value movements to Income Statement:					
on disposal of available for sale assets	–	–	(14,750)	–	**(14,750)**
Total comprehensive expense	–	–	(1,684,699)	–	**(1,684,699)**
Conversion of loan notes	28,066	33,625	–	–	**61,691**
Warrants issued in lieu of finance cost	–	–	–	133,400	**133,400**
Shares issued in payment of creditors	1,154	1,381	–	–	**2,535**
Balance at 30 September 2014	10,483,166	40,131,118	(46,180,774)	485,160	**4,918,670**

Consolidated & Company Cash Flow Statement

For the year ended 30 September 2014

ECR Minerals plc company no. 5079979

	Note	Group Year ended 30 September 2014 £	Year ended 30 September 2013 £	Company Year ended 30 September 2014 £	Year ended 30 September 2013 £
Net cash used in operations	*24*	**(846,274)**	(507,582)	**(782,833)**	(709,615)
Investing activities					
Purchase of property plant and equipment	*13,8*	**(10,642)**	(8,345)	**(10,642)**	–
Increase in exploration assets	*10*	**(624,142)**	(148,336)	**(561,989)**	(127,268)
Proceeds from sale of subsidiary	*24*	–	76,030	–	76,030
Cash disposed with subsidiary	*24*	–	(257,131)	–	–
Investment in subsidiaries		–	–	**(172,115)**	–
Proceeds from sale of available for sale financial assets		**66,988**	220,628	**66,988**	220,628
Interest received		**654**	78	**654**	78
Net cash (used in)/generated from investing activities		**(567,142)**	(117,076)	**(677,104)**	169,468
Financing activities					
Proceeds from issue of share capital		–	2,135,000	–	2,135,000
Transfer from restricted cash		–	250,000	–	250,000
Proceeds from issue of convertible loan notes		**830,909**	–	**830,909**	–
Loan advances received		–	243,287	–	243,287
Repayment of convertible loan notes		–	(392,500)	–	(392,500)
Finance costs on fundraising		–	(60,480)	–	(60,480)
Bank loan repaid		–	(286,946)	–	–
Interest paid on convertible loan notes		–	(63,041)	–	(63,041)
Interest paid and other financing costs		–	(513,281)	–	(513,225)
Net cash from financing activities		**830,909**	1,312,039	**830,909**	1,599,041
Net change in cash and cash equivalents		**(582,507)**	687,381	**(629,028)**	1,058,894
Cash and cash equivalents at beginning of the year		**1,238,562**	479,397	**1,238,428**	179,534
Effect of change in exchange rates		**(13,999)**	71,784	–	–
Cash and cash equivalents at end of the year	*12*	**642,056**	1,238,562	**609,400**	1,238,428

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 20 Eastcheap, London EC3M 1EB. 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 on page 10 of the Directors' Report.

New Accounting Standards and Interpretations

Effective during the year

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

- Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities *(effective from 1 January 2013)*
- IFRS 13 Fair Value Measurement *(effective from 1 January 2013)*

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:

- Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities *(effective from 1 January 2014)*
- IFRS 10 Consolidated Financial Statements*
- IFRS 11 Joint Arrangements*
- IFRS 12 Disclosure of Interests in Other Entities*
- IAS 27 Separate Financial Statements*
- IAS 28 Investments in Associates and Joint Ventures*
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance
- Annual Improvements to IFRSs 2009-2011 Cycle
- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
- IFRIC Interpretation 21 Levies
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle
- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions

* Effective from 1 January 2013 but EU entities may apply these standards and amendments at the latest from the commencement date of their first financial year starting on or after 1 January 2014.

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

- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception
- Amendments to IAS 1: Disclosure Initiative
- Annual Improvements to IFRSs 2012–2014 Cycle
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 16 and IAS 41: Bearer Plants
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

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 Company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and one of its subsidiaries made up to 30 September 2014. 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. Two other subsidiaries have not been consolidated on the grounds of immateriality. As explained in the Chief Executive Officer's Report, Mercator Gold Australia Pty Ltd has not been treated as a subsidiary undertaking as at 30 September 2014 on the basis that it was subject to external administration.

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 or valuation 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 Company 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.

Provisions

A provision is recognised in the Statement of Financial Position when the Group 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 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.

Discontinued operations

In the income statement, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of profit or loss from discontinued operations.

Taxation

Current tax is the tax currently payable based on taxable profit for the period.

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

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies so as to claim benefit from their activities.

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 equity component of convertible debentures issued, plus 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 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 which vested after the Company's transition to IFRSs 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.

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 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.

Other financial assets comprise warrants. After initial recognition, other financial assets are measured at fair value. Any gains or losses from changes in fair value of the other financial asset are recognised in 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.

Compound financial instruments

Compound financial instruments comprise both liability and either equity components or embedded derivatives.

For compound instruments including equity components, at issue date the fair value of the liability component is estimated by discounting its future cash flows at an interest rate that would have been payable on a similar debt instrument without any equity conversion option. The liability component is accounted for as a financial liability. The difference between the net issue proceeds and the liability component, at the time of issue, is the residual or equity component, which is accounted for as an equity reserve.

Embedded derivatives included within compound instruments are calculated using the Black Scholes model and are also included within liabilities, but are measured at fair value in the Statement of Financial Position, with changes in the fair value of the derivative component recognised in the consolidated income statement. The amounts attributable to the liability components equal the discounted cash flows.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of the proceeds.

The interest expense on the liability component is calculated by applying the effective interest rate for the liability component of the instrument. The difference between any repayments and the interest expense is deducted from the carrying amount of the liability.

Upon conversion of loan note debt the corresponding carrying value of loan note liability and equity reserve is released, and the difference between these and the nominal value of the shares issued on conversion is recognised as a share premium.

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:

- fair values and impairment of investments in THEMAC Resources Group Ltd (Note 9);
- impairment reviews covering other investments (Note 9);
- capitalisation of exploration costs (Note 10);
- recovery of amount due from former subsidiary (Note 11);
- share-based payments (Note 14);
- conversion of YA Global loan into ordinary shares (Note 16).

3 Operating loss

The operating loss is stated after charging:	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Depreciation of property, plant and equipment		
– continuing operations	**358**	1,663
Operating lease expenses	**13,815**	13,815
Share-based payments	–	130,000
Auditors' remuneration:		
Fees payable to current auditor and its associates for audit of the Group's annual financial statements (including £15,000 (2013: £15,000) in respect of the Company and £9,000 (2013: £5,000) in respect of subsidiary undertakings)	**24,000**	20,000

4 Loss per share

	Year ended 30 September 2014	Year ended 30 September 2013
Weighted number of shares in issue during the year	**3,260,089,969**	1,526,068,537
	£	£
(Loss) from continuing operations	**(1,746,397)**	(7,520,872)
Profit from discontinued operations attributable to owners of the parent	–	209,501
(Loss) from continuing and discontinued operations attributable to owners of the parent	**(1,746,397)**	(7,311,371)

For both the continuing operations and for the continuing and discontinued operations, the disclosure of the diluted loss per share is the same as the basic loss per share as the conversion of share options decreases the basic loss per share thus being anti-dilutive.

5 Corporation tax expense

The relationship between the expected tax expense based on the corporation tax rate of 22% for the year ended 30 September 2014 (2013: 23.5%) and the tax expense actually recognised in the income statement can be reconciled as follows:

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Group loss for the year	**(1,746,397)**	(7,320,596)
Loss on activities at effective rate of corporation tax of 22% (2013: 23.5%)	**(384,207)**	(1,720,340)
Expenses not deductible for tax purposes	**205,045**	1,566,932
Income not taxable	**(144)**	(18)
Depreciation in excess of capital allowances	**79**	391
Loss carried forward	**179,227**	153,035
Tax income / expense, net	–	–

The Company has unused tax losses of £2,600,000 (2013: £1,850,000) and other temporary differences amounting to losses of £Nil (2013: £3,000). 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. No deferred tax adjustment arises on the fair value movements on the available for sale investments as any gain/loss on disposal will be exempt from tax.

6 Staff numbers and costs

	Year ended 30 September 2014	Year ended 30 September 2013
	Number	Number
Directors	**3**	3
Administration	**2**	2
Total	**5**	5

The aggregate payroll costs of these persons were as follows:

	£	£
Staff wages and salaries	**48,468**	69,292
Directors' cash based emoluments	**333,315**	247,507
Share-based payments	–	130,000
	381,783	446,799

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	**333,315**	247,507
Employer's national insurance contributions	**34,561**	20,529
Short-term employment	**367,876**	268,036
Share-based payments	–	102,386
	367,876	370,422

Directors' remuneration

As required by AIM Rule 19, details of remuneration earned in respect of the financial year ended 30 September 2014 by each Director are set out below:

Year ended 30 September 2014	Salary	Bonus	Share-based payments	Total
Director	£	£	£	£
S Clayson	**141,667**	**35,799**	–	**177,466**
P Johnson	**70,833**	**17,900**	–	**88,733**
R Watts	**54,229**	**12,887**	–	**67,116**
	266,729	**66,586**	–	**333,315**

Year ended 30 September 2013	Salary	Bonus	Share-based payments	Total
Director	£	£	£	£
P A Harford	5,833	–	–	5,833
S Clayson	90,641	34,404	55,046	180,091
L Tenuta	5,000	–	–	5,000
K Irons	12,000	–	–	12,000
P Johnson	41,194	17,202	27,523	85,919
R Watts	28,844	12,389	19,817	61,050
	183,512	63,995	102,386	349,893

The highest paid Director received remuneration of £177,466 (2013: £125,045), excluding share-based payments.
R Watts received remuneration totalling £67,116 (2013 £61,050) via a service company.

Details of each Director's share options and interests in the Company's shares are shown in the Directors' Report.

7 Finance income and costs

Finance costs	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Issue costs of convertible loans amortised	–	6,695
Interest on convertible loans	**11,353**	197,805
Fair value of warrants issued under the loan finance agreement (Note 14)	**10,233**	–
Amounts payable under equity swap agreements	–	418,269
	21,586	622,769

Finance income	2014 £	2013 £
Interest on cash and cash equivalents	**654**	78
Net finance costs	**20,932**	622,691

8 Property, plant and equipment

Group Cost	Furniture and fittings £	Office equipment £	Machinery & equipment £	Total £
At 1 October 2013	2,740	12,020	660	**15,420**
Additions	705	6,072	3,865	**10,642**
Exchange differences arising on translation	–	(223)	(218)	**(441)**
At 30 September 2014	3,445	17,869	4,307	**25,621**
Depreciation				
At 1 October 2013	2,740	11,599	370	**14,709**
Depreciation for the year	–	181	177	**358**
Exchange differences arising on translation	–	(14)	(252)	**(266)**
At 30 September 2014	2,740	11,766	295	**14,801**
Net book value				
At 1 October 2013	–	421	290	**711**
At 30 September 2014	705	6,103	4,012	**10,820**

Company Cost	Furniture and fittings £	Office equipment £	Machinery & equipment £	Total £
At 1 October 2013	2,740	11,342	–	**10,082**
Additions	705	6,072	3,865	**10,642**
At 30 September 2014	3,445	17,414	3,865	**20,724**
Depreciation				
At 1 October 2013	2,740	11,342	–	**14,082**
Depreciation for the year	–	–	–	–
At 30 September 2014	2,740	11,342	–	**14,082**
Net book value				
At 1 October 2013	–	–	–	–
At 30 September 2014	705	6,072	3,865	**10,642**

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

8 Property, plant and equipment *continued*

The comparable table for 2013 is detailed below.

Group	Furniture and fittings	Office equipment	Machinery & equipment	Total
Cost	£	£	£	£
At 1 October 2012	2,740	11,407	1,542	**15,689**
Exchange differences arising on translation	–	613	(882)	**(269)**
At 30 September 2013	2,740	12,020	660	**15,420**
Depreciation				
At 1 October 2012	1,989	10,767	415	**13,171**
Depreciation for the year	751	912	–	**1,663**
Exchange differences arising on translation	–	(80)	(45)	**(125)**
At 30 September 2013	2,740	11,599	370	**14,709**
Net book value				
At 1 October 2012	751	640	1,127	**2,518**
At 30 September 2013	–	421	290	**711**

Company	Furniture and fittings	Office equipment	Total
Cost	£	£	£
At 1 October 2012	2,740	11,342	**14,082**
At 30 September 2013	2,740	11,342	**14,082**
Depreciation			
At 1 October 2012	1,989	10,430	**12,419**
Depreciation for the year	751	912	**1,663**
At 30 September 2013	2,740	11,342	**14,082**
Net book value			
At 1 October 2012	751	912	**1,663**
At 30 September 2013	–	–	–

9 Investments

	Investment in subsidiaries £
Cost as at 1 October 2013	**451,893**
Addition	**172,115**
Balance at 30 September 2014	**624,008**

The comparable table for 2013 is detailed below:	Investment in subsidiaries £
Cost as at 1 October 2012	**581,328**
Additions	**(79,435)**
Impairment	**(50,000)**
Balance at 30 September 2013	**451,893**

9 Investments *continued*

Investment in subsidiaries

At 30 September 2014, 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%
Warm Springs Renewable Energy Corporation	USA	Dormant	USA	90%
Copper Flat Corporation (formerly New Mexico Copper Corporation)	USA	Dormant	USA	100%

Available for sale financial assets

	2014 £	2013 £
Quoted investments		
At 1 October	**978,453**	4,646,136
Disposals	**(198,942)**	(547,913)
Impairment	**(600,645)**	(26,216)
Fair value movements	**–**	(3,093,554)
At 30 September	**178,866**	978,453

The £178,866 represents the value of the Company's holding of shares of THEMAC Resources Group Ltd ("THEMAC"). The fair value is based on quoted market prices at the year end. The shares are listed on TSX Venture Exchange (TSX-V: MAC). Due to the significant and prolonged decline in the market price, it is considered that the holding is now impaired and accordingly the fair value movements charged to the consolidated statement of comprehensive income has been reclassified as impairment in the consolidated income statement.

At 30 September 2014, the Company beneficially held approximately 12% (2013: 15%) of THEMAC's issued share capital. The Company also held warrants, as noted below, which if exercised would potentially increase the Company's shareholding to approximately 14% (2013: 16%) on a fully diluted basis. The Company does not have any representation on THEMAC's board of directors, does not have a right to participate in policy making decisions of THEMAC and has not entered into any material transactions or interchanged managerial personnel with THEMAC. Nor has the Company provided significant technical information to THEMAC since the sale of the Company's option to acquire Copper Flat project to THEMAC. The investment in THEMAC has therefore never been accounted for as an investment in an associate.

As stated in Note 1, fair value adjustments on available for sale financial assets are included in retained reserves. An analysis of the fair value adjustments is shown below:

	2014 £	2013 £
Cumulative adjustments included in retained reserves at 30 September	**14,750**	73,631
Movements during the year	**(600,645)**	(3,093,554)
Cumulative adjustments before reclassifications	**(585,895)**	(3,019,923)
Reclassifications:		
On disposals	**(14,750)**	702,919
On assets considered impaired	**600,645**	2,317,004
	(585,895)	3,019,923

Other financial assets	2014 £	2013 £
Warrants in a listed entity		
At 1 October	**228,814**	2,663,378
Fair value movements	**(202,618)**	(2,434,564)
At 30 September	**26,196**	228,814

The Company acquired warrants as part consideration for the disposal of its option to acquire the Copper Flat project to THEMAC in 2011. Changes in fair values of the warrants are recorded in other gains / (losses) on revaluation of investments in the income statement.

9 Investments *continued*

The fair value of these warrants is calculated using the Black Scholes model with reference to the listed share price of THEMAC at the Statement of Financial Position date. The inputs into the model and resulting fair values were as follows:

Share price (C$)	0.04
Exercise price (C$)	0.28
Expected volatility	123%
Average option life in years	1.43
Expected dividends	–
Weighted average risk–free interest rate (based on national government bonds)	1.07%

The expected volatility is based on the average historical volatility over the previous 17 months of THEMAC shares and those of two other similar entities.

10 Exploration assets

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
At 1 October	**894,145**	800,411	**603,073**	475,805
Additions	**624,142**	148,336	**561,989**	127,268
Translation difference	**(95,794)**	(54,602)	–	–
At 30 September	**1,422,493**	894,145	**1,165,062**	603,073

Exploration assets comprise all costs associated with mineral exploration and capitalised pending determination of the feasibility of the project and include appropriate technical and administrative expenses.

11 Trade and other receivables

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Non-current assets				
Amount owed by a former subsidiary	**3,228,390**	3,228,390	**3,228,390**	3,228,390
Current assets				
Prepayments and accrued income	**174,051**	30,099	**147,154**	–
	174,051	30,099	**147,154**	–

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

Amount owed by a former subsidiary

The amount of £3,228,390 due from a former subsidiary, Mercator Gold Australia Pty Ltd ("MGA"), is the Directors' best estimate of the amount recoverable and is stated after an impairment provision made in previous years of £31,849,884 and in the context of the following:

At the year end, MGA was subject to a Deed of Company Administration ("DOCA") and has no tangible assets. Control of MGA passed back to the Group in December 2014.

It is estimated that the full amount of tax losses accumulated by MGA currently totals approximately A$80 million. Advice to date indicates that these tax losses are available for use against future profits of MGA subject to certain conditions. The success of work completed to date to confirm the tax losses leads the Directors to believe that in due course a business project will be identified with the capacity to generate surplus funds in MGA that would enable it to repay, in whole or in part (but not less than the amount due net of the current impairment), the amount due to the Company and the Group.

To recover the amount due from MGA, the Company and the Group are dependent on MGA being able to generate sufficient surplus funds from future projects. The amount that may ultimately be receivable by the Company and the Group may be more or less than that shown above and this balance represents management's best estimate of the amount that will be recoverable.

The financial statements do not include the adjustments that would result if MGA were to be unable to generate sufficient surplus funds to settle the net amount due to the Company and the Group.

12 Cash and cash equivalents

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Cash and cash equivalents consisted of the following:				
Deposits at banks	**639,803**	1,238,447	**607,311**	1,238,313
Cash on hand	**2,253**	115	**2,089**	115
	642,056	1,238,562	**609,400**	1,238,428

13 Discontinued operations

The Company's management made a decision in September 2012 to sell the Company's interest in Gold Crest Holdings Ltd. and the disposal was completed on 8 February 2013. The results of the metal products segment were presented as discontinued operations in 2012 and 2013.

Gold Crest Holdings Ltd contributed the following to the Group's net operating cash flows in 2013:

	2013
	£
Operating cash flows	261,058
Investing cash flows	(8,345)
Financing cash flows	(286,946)
Total cash flows	(34,233)

Analysis of the result of discontinued operations in 2013 was as follows:

	2013
	£
Revenue	1,385,846
Cost of sales	(944,249)
Administrative expenses	(438,320)
Profit/(loss) on ordinary activities before finance costs and tax	3,277
Financial expense	(34,027)
Loss after tax of discontinued operations	(30,750)
Gain on sale of assets of disposal group	95,508
Reclassification of cumulative exchange differences	135,518
Profit/(loss) for the year from discontinued operations	200,276
Profit/(loss) from a discontinued operation attributable to:	
Owners of the Parent Company	209,501
Non-controlling interest	(9,225)
	200,276

14 Share capital and share premium accounts

The share capital of the Company consists of two classes of shares: ordinary shares of 0.1 pence each which have equal rights to receive dividends or capital repayments and each of which represents one vote at shareholder meetings; and deferred shares of 9.9 pence 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.

14 Share capital and share premium accounts *continued*

a) Changes in issued share capital and share premium:

	Number of Shares	Ordinary shares £	Deferred shares £	Total shares £	Share premium £	Total £
At 1 October 2013	3,259,129,317	3,259,130	7,194,816	10,453,946	40,096,112	**50,550,058**
Shares issued in payment of creditors	1,153,417	1,154	–	1,154	1,381	**2,535**
Loan converted into shares	28,066,424	28,066	–	28,066	33,625	**61,691**
Balance at 30 September 2014	3,288,349,158	3,288,350	7,194,816	10,483,166	40,131,118	**50,614,284**

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

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 2014 £	Number of options 2014	Weighted average exercise price 2013 £	Number of options 2013
Exercisable at the beginning of the year	**0.004**	**141,200,000**	0.025	19,000,000
Granted during the year		–	0.002	130,000,000
Lapsed during year		–	0.025	(7,800,000)
Exercisable at the end of the year	**0.004**	**141,200,000**	0.004	141,200,000

The options outstanding at 30 September 2014 have an exercise price of £0.025 and £0.002 and a weighted average remaining contractual life of four years (2013: five years).

Share warrants	Weighted average exercise price 2014 £	Number of warrants 2014	Weighted average exercise price 2013 £	Number of warrants 2013
Exercisable at the beginning of the year	**0.03**	**2,692,506**	0.03	2,692,506
Granted during the year	**0.003**	**94,500,000**	0.002	392,500,000
Exercised during the year	–	–	0.002	(392,500,000)
Expired in the year	–	–	0.03	–
Exercisable at the end of the year	**0.004**	**97,192,506**	0.03	2,692,506

All the warrants granted during the year were issued to YA Global Master SPV Ltd. These warrants, which represent a direct cost of entering into a loan financing agreement with YA Global Master SPV Ltd, have been valued and recognised in other reserves, with the corresponding amount included in finance costs (Note 7).

The assessed fair value of the warrants granted during the year was determined using the Black Scholes model. The following inputs to the model were used:

Share price at grant date	£0.0024
Exercise price	£0.0030
Expected volatility	104%
Life in years	3
Expected dividends	–
Weighted average risk–free interest rate (based on national government bonds)	1.213%

The expected volatility is based upon the historical volatility of the Company over the previous three years, and reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

15 Trade and other payables – short-term

	Group		Company	
	2014	2013	**2014**	2013
	£	£	£	£
Trade payables	**23,647**	57,873	**22,661**	54,228
Social security and employee taxes	**52,311**	60,876	**50,862**	58,113
Other creditors and accruals	**208,861**	233,338	**208,516**	233,338
	284,819	352,087	**282,039**	345,679

16 Interest bearing liabilities

Group and Company	2014	2013
	£	£
YA Global Master SPV Ltd loan - unsecured	**794,061**	–
Total	**794,061**	–

YA Global Master SPV Ltd loan

On 3 September 2014 entered into an agreement in relation to a convertible loan facility (the "Facility") of up to US$10 million to be made available by YA Global Master SPV Ltd (the "Investor"), an investment fund managed by Yorkville Advisors Global, LP. The Facility, which will be available to the Company for three years, provides for an initial loan tranche of principal amount US$1.5 million (the "Initial Tranche") to be drawn down immediately by ECR, and for future tranches up to an aggregate principal amount of US$10 million.

The outstanding principal amount of a tranche (a "Loan") drawn down by ECR under the Facility is convertible at the Investor's option into ordinary shares of the Company of 0.1p ("Ordinary Shares") on the following terms: (a) at 92.5% of the average daily volume weighted average price (VWAP) of the Ordinary Shares during the ten trading days preceding the conversion date, conversion on this basis being restricted to a maximum amount of US$250,000 per calendar month; or (b) at £0.003735 (0.3735p) in the case of the Initial Tranche or 150% of the average daily VWAP of the Ordinary Shares during the five trading days preceding drawdown of any subsequent Loan, conversion on this basis being subject to no maximum amount.

On maturity of a Loan, which shall be two years from the date of drawdown (extendable by up to one year at the option of the Investor) any outstanding principal amount will be mandatorily converted to Ordinary Shares at the closing price of the Ordinary Shares on or immediately prior to the maturity date. Interest on the outstanding principal amount of a Loan will accrue at 10% per annum, payable in Ordinary Shares at 92.5% of the average daily VWAP of the Ordinary Shares during the ten trading days prior to the interest payment date. An implementation fee of 7.5% of the principal amount of each Loan is payable to the Investor upon drawdown of the relevant Loan.

The Company is entitled to prepay a Loan in cash, in whole or in part, by making a payment to the Investor equal to the principal amount to be prepaid plus any interest due and an additional amount of 10% of the principal amount to be prepaid. The Facility provides for customary events of default, and following an event of default the outstanding principal amount of a Loan plus interest may in certain circumstances become immediately due and payable in cash. If an event of default has been continuing for at least 30 calendar days, the outstanding principal amount of a Loan may at the Investor's option be converted in whole or in part to Ordinary Shares at 80% of the VWAP of the Ordinary Shares for the five trading days preceding the date of such a conversion.

In the event that the 30 day moving average closing price of the Ordinary Shares falls below the nominal value of an Ordinary Share for a period of five consecutive trading days, the outstanding principal amount of a Loan shall become repayable in cash on a monthly basis over the remaining term of the Loan, with interest also payable in cash. If the closing price of the Ordinary Shares were to subsequently cease to be less than the nominal value of an Ordinary Share for a period of ten consecutive trading days, the monthly cash repayments would no longer be required and the Loan would revert to being convertible into Ordinary Shares on the prior terms.

With respect to the Initial Tranche, the Investor has received 94,500,000 warrants, each exercisable to acquire one Ordinary Share for a price of £0.003 (0.3p) and valid for three years. In connection with any subsequent Loan, the Investor will receive a quantity of warrants equal to 25% of the principal amount of such Loan (converted to £) divided by the closing price of the Ordinary Shares on the trading day prior to the date of drawdown, each warrant to be valid for three years and exercisable to acquire one Ordinary Share for a price equal to 125% of the VWAP of the Ordinary Shares on the trading day prior to the date of drawdown.

16 Interest bearing liabilities *continued*

Loan extinguishment of debt by equity
IFRIC 19 extinguishing financial liabilities with equity instruments provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Under IFRIC 19, equity instruments issued under such arrangement will be measured at their fair value, and any difference between carrying amount of the financial liability extinguished and the consideration paid will be recognised in the profit or loss. The settlement of the convertible loan notes and the YA Global Master SPV Ltd loan as well as a small number of other debts by the issue of shares resulted in an additional amount of 2014 £Nil (2013: £68,119), being the difference between the fair value of shares and transaction value being recognised as a loss in the income statement.

17 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.

18 Related party transactions

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Amounts owed to a Director	–	2,803	–	2,803
Amounts owed to former Directors	**5,506**	16,973	**5,506**	16,973

Details of Directors' emoluments are disclosed in Note 6.

The Directors are the only key management. Transactions with the Directors are disclosed in Note 19 and this note.

Amounts owed to former directors relate to overpayment in respect of subscription for warrants and balance owing on consultancy fees.

During the year the Company subscribed for new shares of Ochre Mining SA ("Ochre") to the value of £172,115 in order to provide funding for Ochre's exploration activities. Ochre is a wholly owned subsidiary of the Company and operates the SLM project in Argentina.

19 Advances made to directors

	2014	2013
	£	£
S Clayson		
Advances – to cover business expenses	**32,917**	17,706
Repayments achieved through expense claims	**(22,618)**	(17,706)
Amount owed at the year end	**10,299**	–

20 Commitments and contingencies

Capital expenditure commitment
As at 30 September 2014, the Group had no commitments (2013: £Nil).

Operating lease commitments
Details of operating lease commitments are set out in Note 21 below.

21 Operating leases

The total amounts payable under:

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

Payable:	2014 £	2013 £
Within 2 years	**27,630**	–
Between 2 – 5 years	–	41,445

22 Financial instruments

Categories of financial instrument

Financial assets	2014 £	2013 £
Cash and cash equivalents	**642,056**	1,238,562
	642,056	1,238,562
Available for sale financial assets	**178,866**	978,453
Other financial assets	**26,196**	228,814
	205,062	1,207,267

Financial liabilities		
Trade payables	**23,647**	57,873
	23,647	57,873
Borrowings	**794,061**	–
	794,061	–

Risk management objectives and policies
The Group's principal financial assets comprise cash and cash equivalents, trade and other receivables, investments and prepayments. In addition the Company's financial assets include amounts due from its former operating subsidiary, Mercator Gold Australia Pty Ltd, which is held at cost less a provision for impairment. 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 2014 and 30 September 2013 did not differ materially from their carrying value.

The Company has material exposure to receivables risk in respect of the loan to its former subsidiary, Mercator Gold Australia Pty Ltd, until recently subject to external administration. Since Mercator Gold Australia Pty Ltd was subject to external administration and not under the Company's control during the year ended 30 September 2014, this risk could not be mitigated.

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 Company has no material exposure to interest rate risk.

Since the interest accruing on bank deposits was relatively immaterial and the amount due from the former subsidiary was interest free, there is no material sensitivity to changes in interest rates.

22 Financial instruments *continued*

Foreign currency risk

The Company is exposed to foreign currency risk in so far as some dealings with overseas subsidiary undertakings are in foreign currencies and in that certain of the Company's holdings of listed securities are denominated in foreign currencies, in particular Canadian and Australian dollars. The foreign currency exposure to the impaired former Australian subsidiary is not considered to be material in the context of the provision made against it.

Fair value of financial instruments

The fair values of the Company's financial instruments at 30 September 2014 and 30 September 2013 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 2014	Level 1 £	Level 2 £	Level 3 £	Total £
Available for sale financial assets	**178,866**	–	–	**178,866**
Other financial assets	–	**26,196**	–	**26,196**
	178,866	**26,196**	–	**205,062**

Group and Company

30 September 2013	Level 1 £	Level 2 £	Level 3 £	Total £
Available for sale financial assets	978,452	–	–	978,452
Other financial assets	–	228,814	–	228,814
	978,452	228,814	–	1,207,266

Liquidity risk

The Company 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 Company'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 2014.

	2014 £'000	2013 £'000
Due in less than 1 month	**175**	352
Due between 1 and 3 months	–	–
Due between 3 months and 1 year	**794**	–
Due after 1 year	–	–
	969	352

23 Segmental report

The Company is engaged in mineral exploration and development. The undertaking disposed of during 2013 was involved in the manufacture of metal products. An analysis of the Group revenue, results, assets and liabilities, capital expenditure and depreciation is provided below.

	Year ended 30 September 2014	Year ended 30 September 2013	
	Mining and exploration continuing £	Metal products discontinued £	Mining and exploration continuing £
External revenue	–	1,385,846	–
Interest income	**654**	–	78
Interest expense	**21,586**	34,027	622,769
Net profit / (loss)	**(1,746,397)**	200,276	(7,520,872)
Total assets	**5,687,924**	–	6,621,546
Total liabilities	**1,078,880**	–	352,087
Capital expenditure	**634,784**	8,345	148,336
Depreciation & amortisation	**358**	–	1,662
Impairment of available for sale assets	–	–	(26,216)
Impairment of other current assets	–	–	(38,282)

Management does not segment the mineral exploration by geographical region when evaluating performance

24 Consolidated cash flow statement

		Group		Company	
	Note	**Year ended 30 September 2014 £**	Year ended 30 September 2013 £	**Year ended 30 September 2014 £**	Year ended 30 September 2013 £
Operating activities					
(Loss)/profit for the year before tax		**(1,746,397)**	(7,320,596)	**(1,669,949)**	(7,467,371)
Adjustments:					
Depreciation expense, property, plant and equipment	*8*	**358**	1,662	–	1,662
Recycling of exchange differences on disposal of subsidiary		–	(135,518)	–	–
Gain on disposal of assets in disposal group			(95,508)		
Provisions and impairment of investment and loans		**585,895**	3,046,139	**585,895**	3,046,139
Impairment of other current assets		–	38,282	–	38,282
Provision for bad debts		–	–	–	–
Loss on extinguishment of debt		–	68,119	–	68,119
Loss on available for sale financial assets		**121,922**	327,739	**109,621**	327,739
Interest income		**(654)**	(78)	**(654)**	(78)
Loss/(gain) on derivative		–	–	–	–
Loss/(gain) on revaluation of investments		**202,618**	2,434,564	**202,618**	2,434,564
Issue costs amortised – convertible loan	*7*	–	6,695	–	6,695
Interest paid on convertible loans	*7*	**21,586**	616,074	**20,814**	616,018
Interest expense – other		–	–	–	–
Share–based payments		–	130,000	–	130,000
(Increase)/decrease in accounts receivable		**(20,785)**	607,807	**(23,987)**	60,699
(Increase)/decrease in taxation		**17,319**	–	**17,319**	–
Increase/(decrease) in accounts payable		**(28,136)**	93,523	**(24,510)**	(61,315)
(Increase)/decrease in inventories		–	(415,718)	–	–
Shares issued in lieu of expense payments		–	89,232	–	89,232
Net cash flow used in operations		**(846,274)**	(507,582)	**(782,833)**	(709,615)

24 Consolidated cash flow statement *continued*

Non-cash transactions

During the year there were the following significant non-cash transactions:

	£
Loan notes converted into shares	**64,226**

Disposal of subsidiary – 2013	£
Property, plant and equipment	**546,759**
Inventories	**877,736**
Trade and other receivables	**432,026**
Cash and cash equivalents	**257,131**
Trade and other payables	**(1,661,801)**
Interest bearing borrowings	**(52,696)**
	399,155
Non-controlling interests	**(29,236)**
Net assets and non-controlling interests disposed of	**369,919**
Gain on disposal	**94,706**
Total disposal consideration receivable	**464,625**
Non-cash consideration	**(325,000)**
Consideration receivable in cash	**139,625**
Transaction costs paid	**(25,313)**
	114,312
Impairment of amount receivable	**(38,282)**
Cash received	**76,030**
Cash and cash equivalents disposed of	**(257,131)**

25 Post balance sheet events

- On 24 November 2014, the Company announced it had purchased 358,000 common shares of Tiger International Resources, Inc. ("Tiger") for consideration of C$0.20 per share. Tiger shares are listed on Canada's TSX Venture Exchange with the symbol TGR. The purchase equated to 3.67% of Tiger's issued share capital.
- On 4 December 2014, Mercator Gold Australia Pty Ltd ("MGA") was released from external administration.
- On 5 December 2014 the Company announced the issue of 102,905,100 ordinary shares of £0.1p each in the Company following the partial conversion of convertible loan notes amounting to US$250,000 at a price of £0.001549 per share.
- On 16 December 2014 the Company announced the issue of 97,037,767 ordinary shares of £0.1p each in the Company following the partial conversion of convertible loan notes amounting to US$264,288 at a price of £0.001733 per share.
- On 31 December 2014 the Company announced the grant to Directors, staff and consultants of 208,940,427 share options exercisable to acquire one ordinary share of the Company at a price of £0.00275 (0.275 pence) per share. The Options are valid for five years and will vest immediately.
- On 22 January 2015 the Company announced that the second phase of drilling by the Company at the Itogon gold project, Philippines had commenced.
- On 9 February 2015 the Company announced an agreement of three further tranches of US$250,000 under the convertible loan facility in place with YA Global Master SPV Ltd. The first of the tranches has been drawn down, the second will be drawn on or about 2 March 2015, and the third will be drawn down on or around 1 April 2015.
- On 27 February 2015 the Company announced updates on two projects: SLM Gold Project, Argentina Following completion of the detailed geological mapping exercise carried out in the latter part of 2014, bulk sampling is due to commence at the Maestro Agüero prospect in March 2015; Itogon Gold Project, Philippines Further to ECR's announcement dated 22 January 2015, diamond drilling was proceeding satisfactorily at the Itogon project, which is presently the Company's main operational focus. Two of the seven holes planned had been completed to date, and the third hole was underway.

Please note that this document is important and requires your immediate attention. If you are in any doubt as to the action to be taken, please consult an independent adviser immediately. If you have sold or transferred or otherwise intend to sell or transfer all of your holding of ordinary shares in the Company prior to the annual general meeting of the Company to be held at the East India Club, 16 St James's Square, London SW1Y 4LH on 31 March 2015 at 9.30am, you should send this document, together with the accompanying form of proxy, to the (intended) purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is to be effected for transmission to the (intended) purchaser or transferee.

Company Number: 05079979

Notice of Annual General Meeting

ECR MINERALS plc (the "Company")

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the Company will be held at the East India Club, 16 St James's Square, London SW1Y 4LH on **31 March 2015 at 9.30am** in order to consider and, if thought fit, pass Resolutions 1 to 4 as ordinary resolutions and Resolution 5 as a special resolution:

Ordinary Resolutions

1 To receive, consider and adopt the directors' report and accounts of the Company for the year ended 30 September 2014.

2 To re-appoint Nexia Smith & Williamson Audit Ltd of 25 Moorgate, London EC2R 6AY, as auditors of the Company and to authorise the directors to determine their remuneration.

3 To re-elect as a director Stephen Clayson who is retiring in accordance with Article 29 of the Company's Articles of Association and who being eligible is offering himself for re-election.

4 That the directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £3,000,000, provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company following the date of the passing of this resolution or (if earlier) 15 months from the date of passing this resolution, but so that the directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired.

Special Resolution

5 That, subject to the passing of Resolution 4, the directors be given the general power to allot equity securities (as defined by Section 560 of the Act) for cash, either pursuant to the authority conferred by Resolution 4 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

5.1 the allotment of equity securities in connection with an offer by way of a rights issue:

5.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

5.1.2 to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

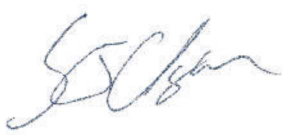
5.2 the allotment (otherwise than pursuant to paragraph 5.1 above) of equity securities up to an aggregate nominal amount of £3,000,000.

The power granted by this resolution will unless otherwise renewed, varied or revoked by the Company, expire at the conclusion of the next annual general meeting of the Company following the date of the passing of this resolution or (if earlier) 15 months from the date of passing this resolution, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry, and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if Section 561(1) of the Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Section 656 Companies Act 2006 ("s656") has been brought to the attention of the directors of the Company; s656 requires that when the net assets of a public company are less than half of its called-up share capital, the directors of that company are required to convene a general meeting. Accordingly the annual general meeting of the Company will be held in addition for the purpose of considering, whether any, and if so what, steps should be taken to deal with this situation.

By order of the board of directors of ECR Minerals plc



Stephen Clayson
Director & Chief Executive Officer

Registered office:
ECR Minerals plc
2nd Floor, Peek House
20 Eastcheap, London EC3M 1EB

4 March 2015

NOTES

1 A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.

2 Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.

3 To be effective, this proxy form must be lodged with the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom not later than 48 hours before the time of the meeting or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.

4 In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alterations made to this proxy should be initialled.

5 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6 In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.

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

8 A copy of the Statement of Financial Position and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The register of interests of the directors in the share capital of the Company and copies of contracts of service of directors with the Company will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the annual general meeting.

9 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

10 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.

11 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Computershare Investor Services plc (whose CREST ID is 3RA50) by the specified latest time(s) for receipt of proxy appointments. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.

12 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.

Company information

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Non-Executive Chairman

Richard Andrew Watts
Technical Director

Stephen James Clayson
Director & CEO

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