Annual Report 2014

Company Number: 05837907

CATALINA RESOURCES PLC

Contents

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Review of Operations

Introduction

Through its wholly-owned Chilean subsidiary, Minera Catalina SA, Catalina Resources PLC ("the Company" or "the Group") holds the Jiguata and the Toculla concessions in northern Chile, the most mineral-rich country in South America.

During the last twelve months the completion of geophysical surveys at both project areas has produced a striking new perspective on Jiguata and provided a significant change of focus at Toculla.

Throughout a year of relatively low activity due to financial constraints, the Company has continued to ensure that all land taxes and other necessary ownership requirements at both project areas have been maintained so that all the concession titles remain in good standing for both projects.

At Jiguata, as a consequence of the results of a recent geophysical survey, additional concession applications are in progress.

This review provides a description of the geology of Catalina's two projects, presents the results of the geophysical surveys undertaken at both sites, outlines the geological significance of the results and discusses what this means for Catalina.

Project Locations

Jiguata is located approximately 150 km east-northeast of the city of Iquique in Region I of Chile. Access is straightforward, being a 3-hour drive from Iquique. The small settlement of Lirima lies 7 km to the southwest and the project lies at an elevation of between 4,600 and 4,700 m (~15,000 feet) above sea level (Figure 1).

Toculla is located approximately 140 km northeast of Iquique in Region I of Chile. Total transit time from Iquique is $3^1/_2$ hours and access is gained through the village of Camiña which lies an hour's drive southwest of Toculla. The project lies at an elevation of between 3,700 and 4,000 m above sea level.

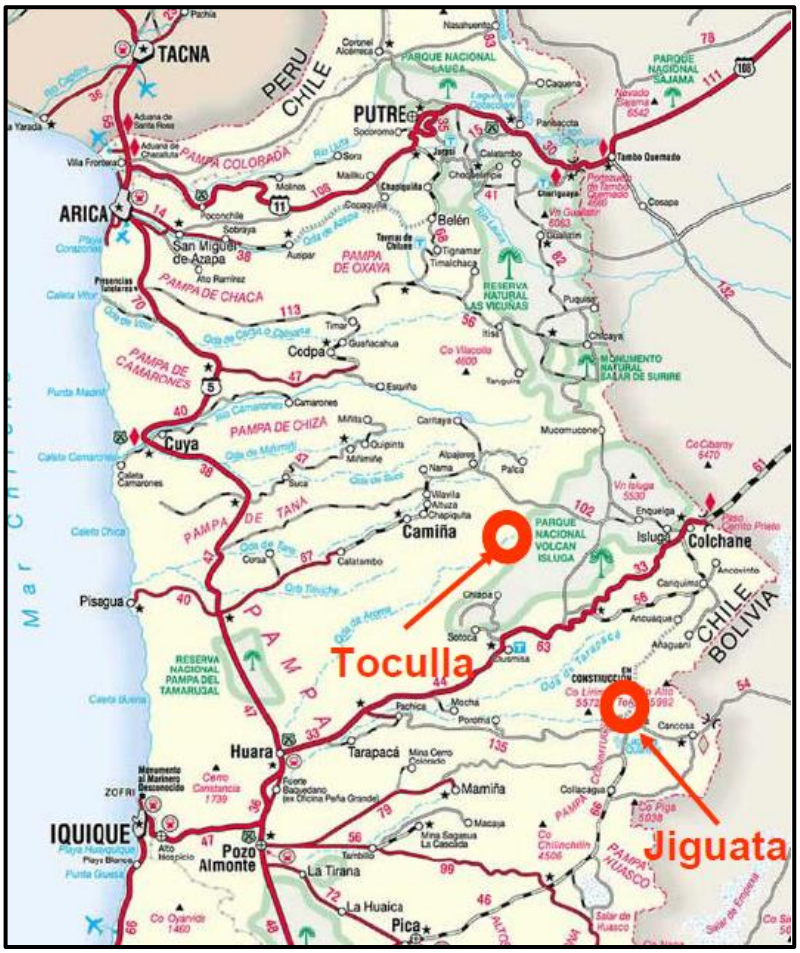

Figure 1: Location of the Jiguata and Toculla Projects.

Exploration Concessions - Jiguata

Minera Catalina SA applied for its first Jiguata exploration concessions ("pedimentos mineros") in July 2010. In Chile, exploration concessions have a two-year life from their date of approval.

In August 2013, Catalina registered sixteen new "pedimentos mineros" or exploration concessions (Jiguata 1A-16A) in the Court of Pozo Almonte. These overlaid the original Jiguata 1-16 concessions and have safeguarded Catalina's mineral rights until at least August 2015. Jiguata 17A -19A were registered during April 2014, replacing the previous Jiguata 17 to 19 concessions.

Following receipt of the results of the geophysical survey at Jiguata, 16 additional pedimentos, Jiguata 20A to 35A, have been added around the original holdings, raising the total ground held to 10,000 hectares and ensuring, where possible, that the areas of main interest are held by Catalina. The concession ownership map (catastro minero) of the Jiguata area shows the layout of the various concessions (Figure 2).

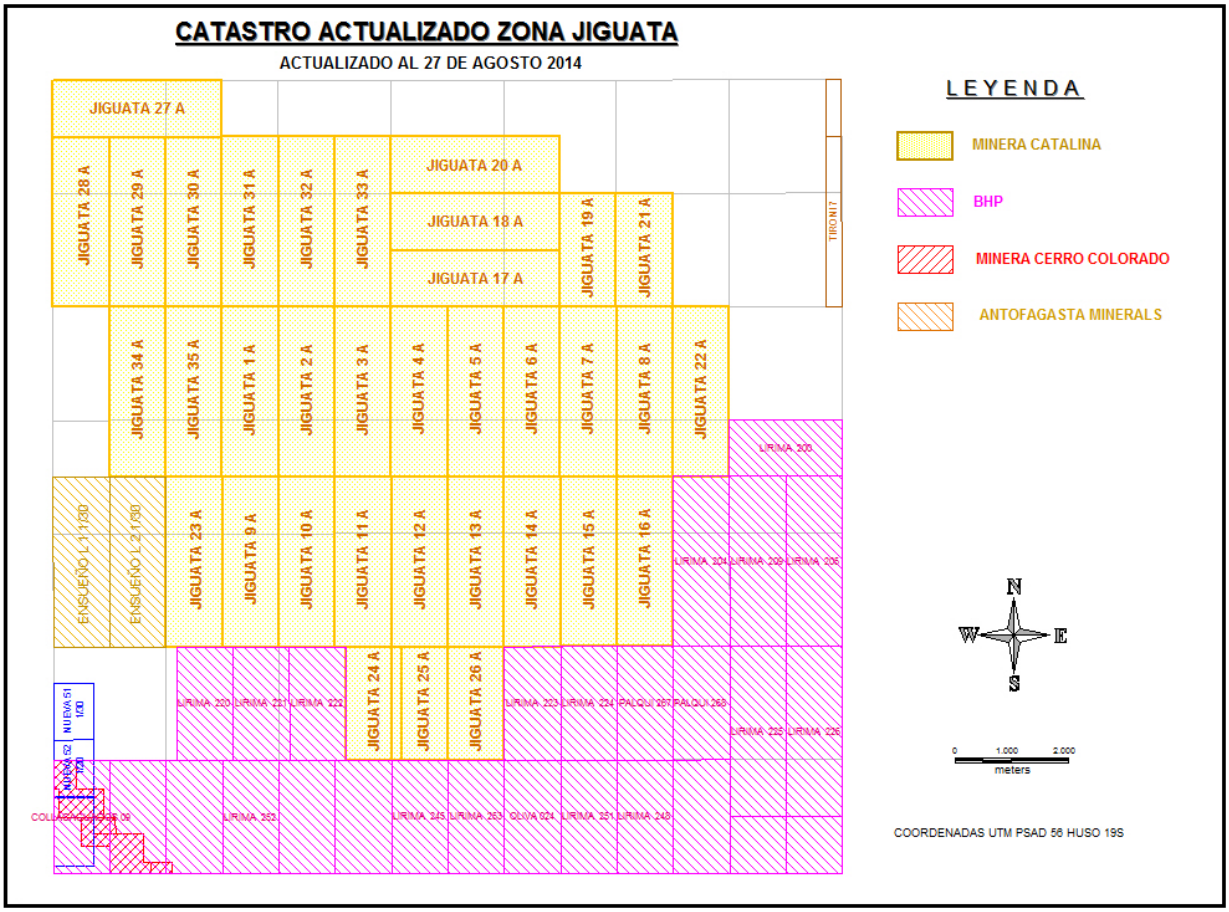

Figure 2: The Jiguata 1A - 35A Concessions.

Exploration Concessions - Toculla

The Toculla Gold Project initially covered 2,100 ha in 8 exploration concessions. New applications covering that ground and an additional 1,200 ha are now underway, taking the total area to 3,300 ha in 14 concessions.

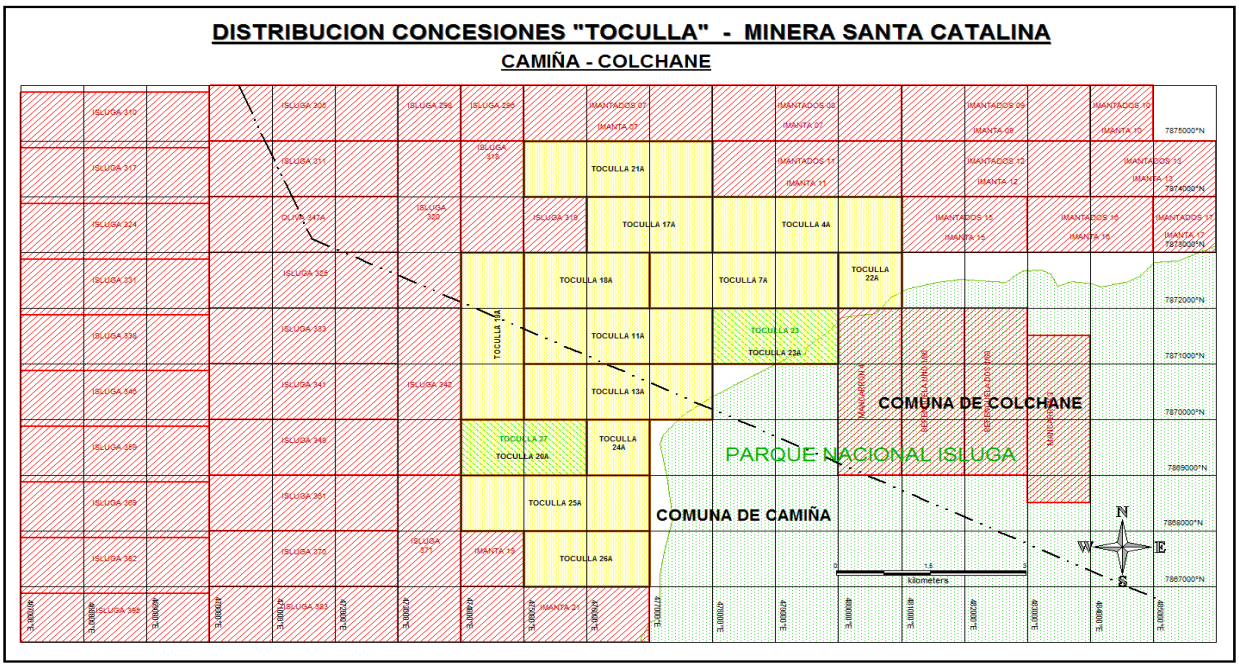

Figure 3: The Toculla Concessions.

The Jiguata Project

The Jiguata Project was initially targeted as a high-sulphidation epithermal gold project. This was based on its geological setting, the styles of rock alteration observed and the anomalous levels of As, Ba, Bi, Hg, Mo, Pb, Sb and Te in rock chip samples.

Extensive areas show evidence of hydrothermal alteration which, from its form and expression, indicated the presence of an epithermal system with only the highest portions exposed at surface; the main part of the system remaining hidden at depth.

If this interpretation is correct, possible exploration targets would be parallels to buried high sulphidation epithermal deposits, such as Puren, near La Coipa. Although Puren has no surface expression it contains a Measured and Indicated Resource of 1.53 Moz Au equivalent.

High-sulphidation gold projects are genetically related to and often found adjacent to porphyry copper systems. The first indications that a porphyry-style system might also be present at Jiguata came during a brief mapping exercise in 2012 when the presence of high-level porphyry intrusions and porphyry-style veining were noted in outcrop. A subsequent review of previous work at Jiguata by Codelco (the national mining company of Chile) in the mid-1990s provided additional indications of possible porphyry mineralisation. Codelco had drilled two shallow scout RC boreholes and reported several zones of quartz-veinlet stockwork with anomalous Cu-Mo geochemistry.

Analysis of samples from the two holes returned:

- An upper zone of 76 m (52-128 m) with average grades of 251 ppm copper and 107 ppm molybdenum, with maximum values of 5,555 ppm Cu and 250 ppm Mo.
- A lower zone of 163 m (138-301 m) with average grades of 102 ppm copper and 192 ppm molybdenum with maximum values of 1,240 ppm Cu and 933 ppm Mo.

Neither of these intersections can be classed as economic mineralisation but because the holes ended in ground still hosting anomalous Cu-Mo values it became clear that the development of porphyry-style geology was probably more extensive than first thought and that future exploration should focus on copper porphyry mineralisation in addition to epithermal gold.

It was decided that this could be best achieved by undertaking a broad-scale, reconnaissance geophysical survey using Induced Polarisation (IP) to indicate whether Jiguata is underlain by a porphyry system and to quantify its possible size.

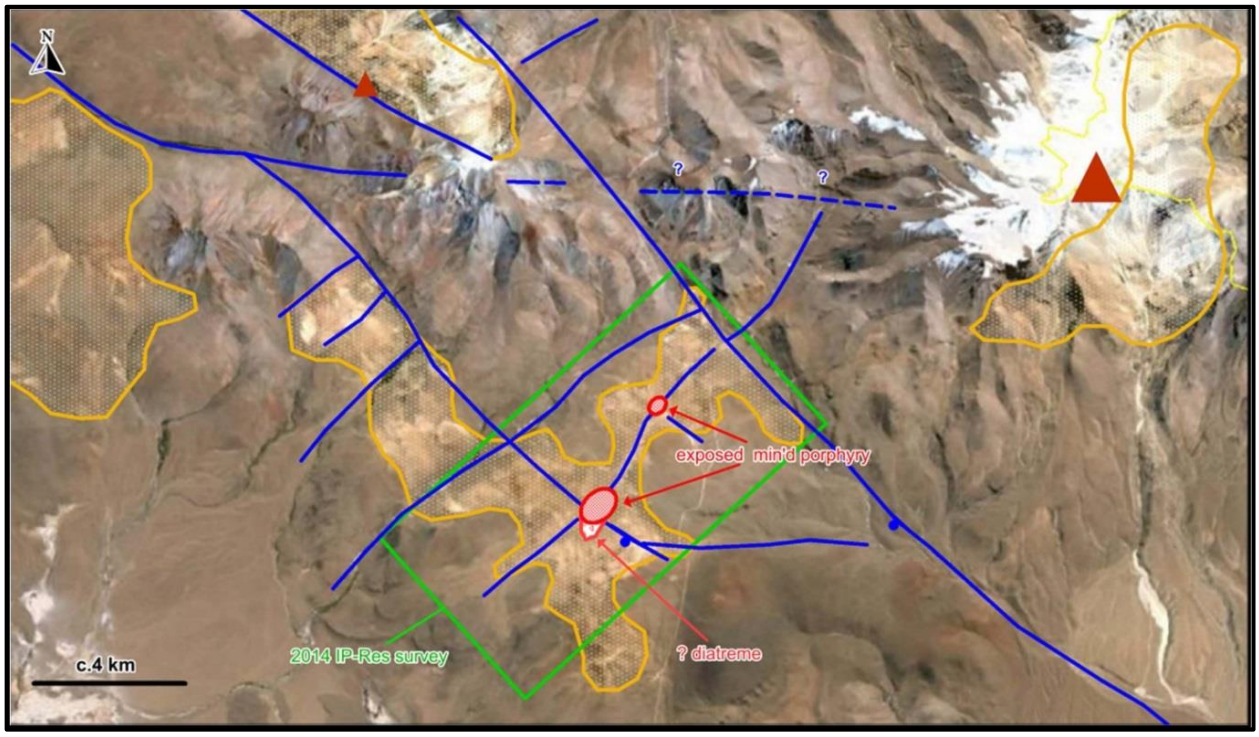

Figure 4: A district-scale satellite image of the Jiguata area.

Figure 4 shows:

a) The approximate area of the IP-resistivity survey – (the rectangle outlined in green)

b) Areas of significant hydrothermal alteration at surface – (the irregular orange outlines)

c) The location of the mineralised porphyry occurrences mapped to date at Jiguata – (the pink/red outlines)

d) Principal district-scale faults (blue) inferred from satellite imagery. These fall into two groups: (a) major, parallel, NW-striking structures and (b) a second set of NE-trending structures. Both sets appear to control the drainage pattern

e) There is a large Miocene age volcanic centre to the NE of Jiguata (the large red triangle) which is separated from Jiguata or controlled by one of the NW-striking faults

The size of the area under investigation is indicated by the scale-bar in the lower left of the image.

Figure 4 also shows that the rocks at Jiguata are affected by hydrothermal alteration (the light-coloured area described in (b) above) and are partly concealed by a widespread younger cover of largely unaltered, darker coloured, sub-horizontally dipping volcanic lava flows. These extend over a large part of the area and occupy the flanks of the major volcanic centre to the NE of Jiguata.

The alteration occurs in an extensive zone (with poorly defined limits), comprises a variety of types and it is exposed locally in valleys in the central and south-western parts of the project area. The rocks hosting this alteration comprise a sequence of coarse- to fine-grained lithic, crystal-lithic and ash tuffs of inferred dacitic composition, intruded by sill-like and locally more plug-like bodies of feldspar-biotite-hornblende porphyry.

The alteration types are roughly stacked above each other and can be sub-divided into the following assemblages:

- High-level "steam-heated" advanced-argillic alteration (opal-cristobalite-alunite-kaolinite-sulphur)
- Mid-level stratabound chalcedony ± opaline silica horizons (indicative of palaeo-water table levels)
- Deeper, blanket-like, hypogene alunite-bearing (and pyritic) advanced-argillic alteration assemblages partly exposed at the lowest elevations in the base of valleys cutting the area

This zonation indicates that erosion has only reached relatively shallow levels in the hydrothermal system. Argillic alteration of the porphyry bodies indicates some telescoping of the alteration package.

Geological mapping has revealed a broad NW (to WNW) striking structural corridor inferred to strike through the core of the property. This is corroborated by (a) short strike-length mapped fault features, (b) lineaments, (c) brecciation of silicic alteration within the corridor and (d) the preferred NW orientation of several mineralisation features.

The main outcropping porphyry occurrence lies at the intersection of this structural corridor with a valley-forming structure (fault) at almost right angles which strikes to the NE. This intersection correlates with strongly anomalous molybdenum values in rock samples at surface and in the shallow drillholes.

A poorly-defined breccia unit - possibly a diatreme - occurs nearby. The breccia displays advanced-argillic alteration and hosts a range of advanced-argillic and silicic altered clasts, including vein mineralised porphyry. It is developed at the SW margin of the main mineralised porphyry occurrence.

The Recent Geophysical Survey at Jiguata

The geophysical contractor (Argali) completed six lines, one-kilometre apart, varying in length from 7,600 to 9,600 metres for a total of 53.8 line kilometres. Sections of the survey report are reproduced below.

Data from the surveys were presented in a series of sections and plans showing the geophysical response at different elevations and demonstrate the presence of a large chargeability anomaly. The sections also show a variety of other features which vary from section to section, as shown in Figure 7.

Chargeability Anomalies

Strong chargeability anomalies from 20 to 35 mV/V are outlined on all six lines. In several areas, they are fairly close to the surface but in most areas, the anomalies are 100 to 400 m below surface with each line showing relatively-continuous, deep chargeable zones over 5 km wide. The anomalies may be closing to the southwest and northeast on the lines but additional coverage is required to confirm closure. Lines 3000N and 8000N both show strong chargeability anomalies, so the chargeable zone remains open to the SE and NW.

Possible dimensions of the chargeability anomaly (blue outline in Figures 5 and 6) measure approximately 7x7 km. At the relatively shallow depths at 4,100 m elevation, there is close correlation between the porphyry outcrops and the chargeability highs.

Figure 5 shows a plan view of inverted chargeability at a constant elevation of 4,100 m which is approximately from 100 to 400 m deep. The two strongest and shallowest chargeability anomalies occur on Lines 5000N and 6000N and correspond closely with the two known mineralised porphyry exposures. A third strong, shallow anomaly occurs on the southern portion of Line 8000N in an area that has yet to be mapped.

The chargeability plan view at the deeper 3,800 m elevation (Figure 6) shows a significant increase in the areal extent of the chargeability anomalies with amplitudes that match the chargeabilities observed over the porphyry mineralisation on the 4,100 m map. Thus, it is possible that porphyry mineralisation is widespread at depth below the post-mineral cover and steam-heated alteration.

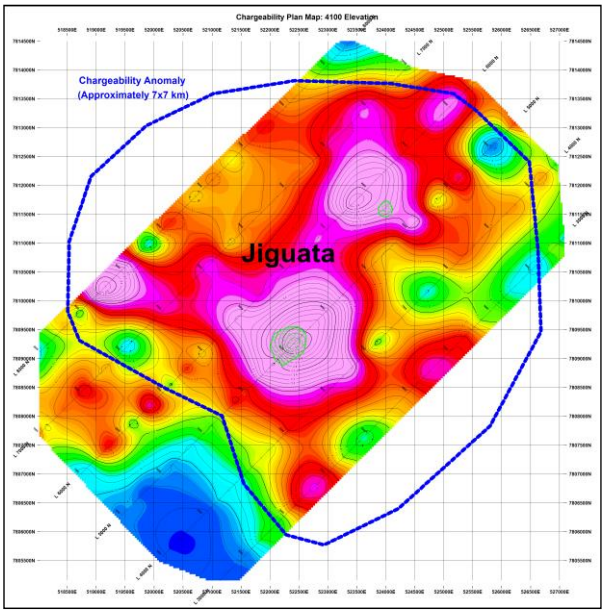

Figure 5: Inverted Chargeability Slice at 4,100 m.

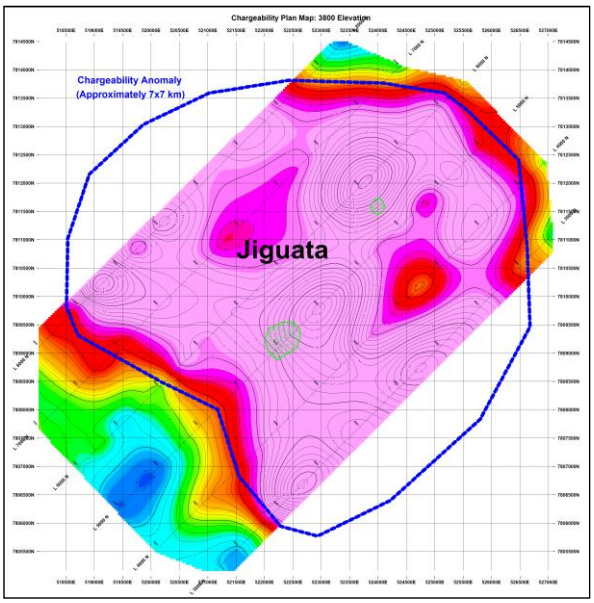

Figure 6: Inverted Chargeability Slice at of 3,800 m elevation.

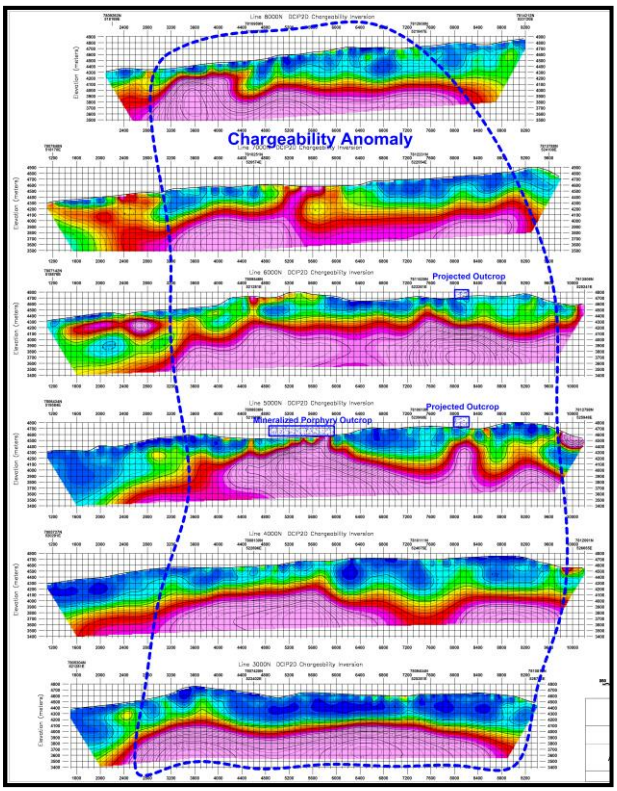

Figure 7: Stacked Inverted Chargeability Sections.

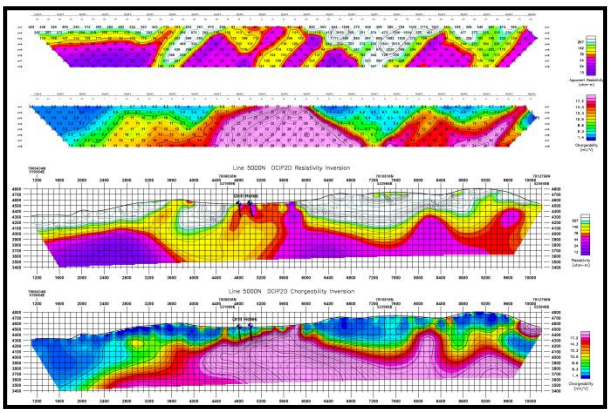

Figure 8: Line 5000N showing pseudosections and inverted resistivity and chargeability sections.

When the inverted chargeability data are viewed in stacked sections (Figure 7), it is apparent that the anomalies extend to at least 800 m - the approximate limit of depth penetration of the survey. Typically, sulphide mineralisation associated with porphyries extends to great depths, so the deeply-rooted anomalies at Jiguata are consistent with expected anomalies over porphyry mineralisation.

Figure 7 also shows several shallower chargeability anomalies with weaker amplitudes and limited depth extension, particularly on the SW portion of lines 5000N, 6000N, and 7000N. These “perched” chargeability zones appear to be caused by a different chargeable source than the stronger, deeper anomalies near the exposed porphyry mineralisation. Epithermal argillic alteration with pyrite could produce such anomalies. Strata-bound epithermal mineralisation or lithologies could also produce such anomalies.

The chargeability and resistivity pseudosection and inverted sections on Line 5000N together with the approximate location of the drill holes are shown in Figure 8. It is apparent that the drill holes are located over the strong chargeability anomaly; however, they do not extend deeply enough to penetrate the strongest part of the anomaly and notably the boreholes only test a small portion of the central anomaly.

Comparison between Jiguata and other porphyry copper deposits in northern Chile

Jiguata lies in prime exploration country at the northern end of the Eocene–Oligocene Metallogenic Belt – one of the most prolific copper mining regions in the world.

The Belt includes over thirty Cu/Mo porphyry deposits containing 220 million tonnes of copper metal and contains world-class mining operations such as Radomiro Tomic, the Collahuasi deposits (Rosario, Copaquire, Quebrada Blanca and Ujina), El Abra, Chuquicamata, Escondida and Zaldivar (Figure 9).

The chargeability and resistivity anomalies at Jiguata are similar to the anomalies observed over the nearby Collahuasi deposits, approximately120-130 km to the south.

The porphyries in the adjacent Collahuasi district all host large chargeability anomalies covering areas from 4 to 6 km in diameter.

The strongest chargeabilities are typically on the outer portion of the anomalous zone and are often considered to be part of the “pyritic halo” that surrounds some types of copper porphyries.

Typically, economic mineralisation is located closer to the centre of the anomalous zone and inside of the strong chargeability associated with the pyritic halo.

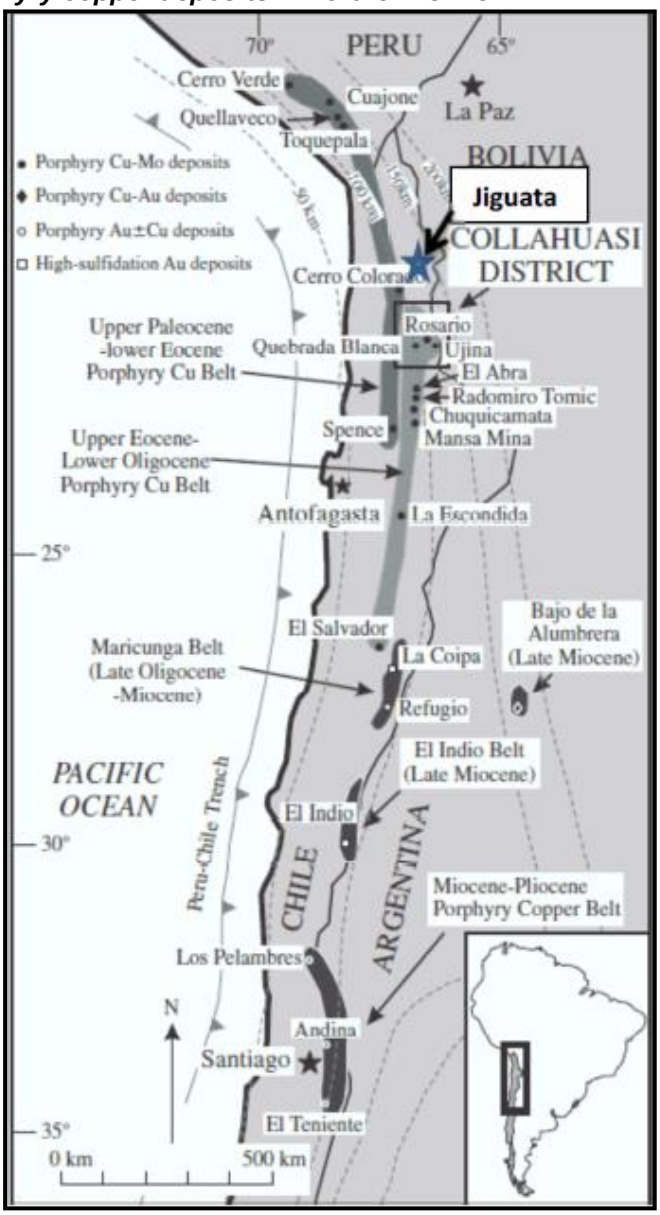

Figure 9: Map showing the Eocene–Oligocene Metallogenic Belt and some of the major mines.

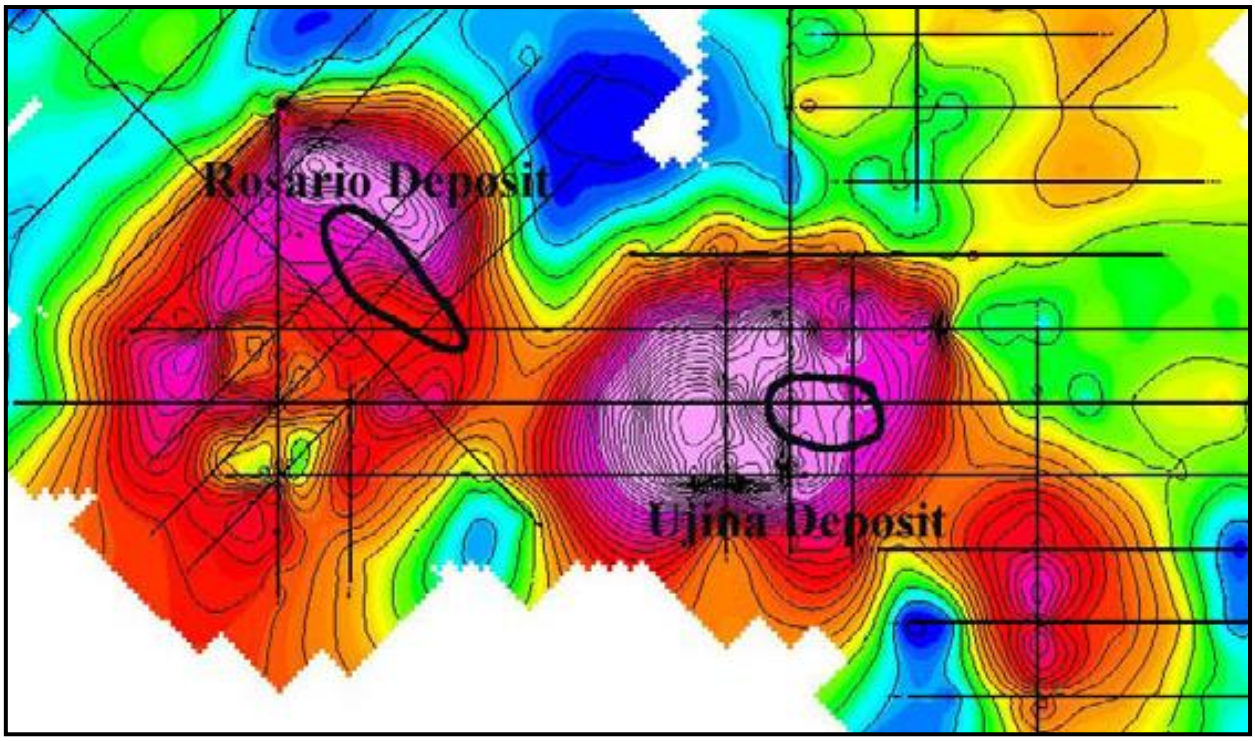

Figure 10: A plan view of the IP data over the Collahuasi-Rosario and Ujina porphyries (From Watts, A., Discovery of the Ujina Cu Deposit, Collahuasi District. Presented at SEG meeting, Oct 2002).

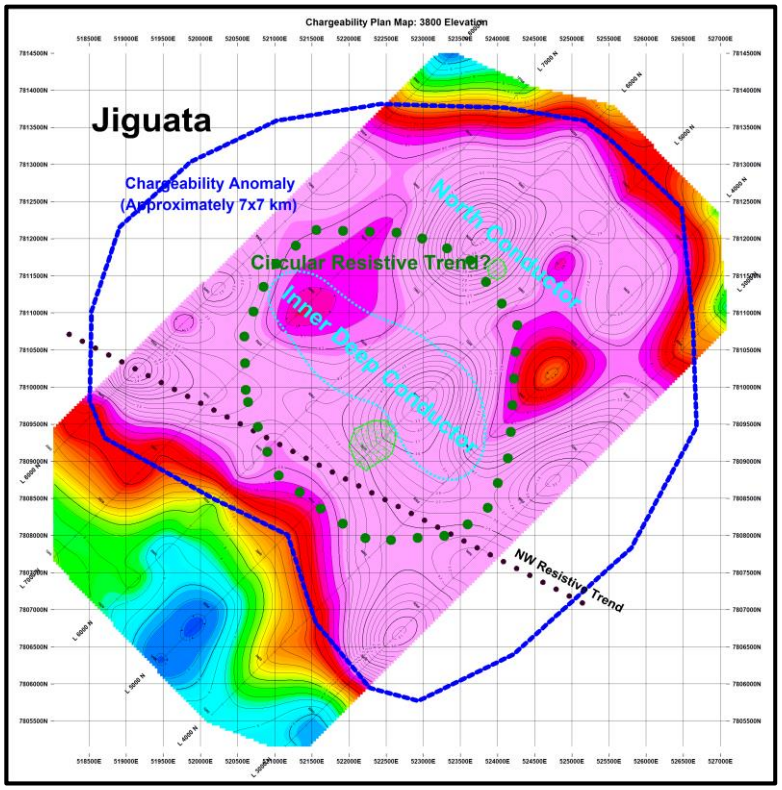

Figure 11: A plan view of the inverted chargeability from Jiguata at 3,800 m elevation.

Not all the chargeability anomalies at Collahuasi carry economic mineralisation. The black outlines in Figure 10 indicate those portions of the chargeability anomalies which carried mineral resources as of 2002. It should be noted that substantial additional mineralisation has since been encountered at depth in both areas, particularly Rosario.

Figures 10 and 11 are shown here at the same scale and indicate that the Jiguata anomaly is somewhat bigger than both the Rosario and the Ujina anomalies but is smaller than the combined anomalies.

The circular resistivity anomaly at Jiguata is approximately the same size as the chargeability anomaly at Ujina.

Thus, the dimensions of the Jiguata anomaly are consistent with the dimensions of other porphyry deposits.

Discussion

Strong chargeability anomalies outlined at Jiguata cover a large area measuring at least 6-7 km in diameter. Most of the chargeability anomalies commence at 100 to 300 m depth, typically below a shallow resistive layer that is attributed to post-mineral cover or overprinting by steam-heated epithermal alteration.

The strongest and shallowest chargeability anomalies correlate closely to two outcrops of mineralised porphyry. Chargeability anomalies associated with known or inferred pyrite-bearing epithermal argillic alteration are weak to moderate in comparison to the anomalies near the outcropping porphyry mineralisation. Consequently, the strong, deep chargeability anomalies at Jiguata may also be associated with porphyry mineralisation.

The two historic drill holes tested one of the porphyry outcrops. These drill holes are located near strong chargeability anomalies; however, these relatively shallow (250m vertical depth) drill holes did not test the main part of the deeper chargeability anomaly, nor did they test the deeper conductive zones. Both holes encountered anomalous gold and copper and high molybdenum values. High molybdenum values are also present at the large porphyries south of Jiguata at Rosario, Ujina, Quebrada Blanca, and Copaquire.

The Jiguata anomalies are considered an excellent target for large-scale Cu-Mo porphyry mineralisation. However, the post-mineral cover and the over-printing epithermal alteration complicate both the chargeability and resistivity anomalies observed. The interpretation of the geophysical anomalies is therefore more complex and ambiguous than in areas hosting only porphyry mineralisation.

The new interpretation of the geology presented above represents a considerable advance in our understanding of the Jiguata area. Furthermore, it greatly expands the geological potential of the Project because, although there is no guarantee at this stage that these newly-identified targets carry economic mineralisation, the focus of Jiguata has shifted from an epithermal gold target to one or more possible copper porphyry targets – an increase of several orders of magnitude.

Follow-up detailed geological mapping and geochemical sampling and additional geophysical surveys are planned. The IP survey has yet to define the full limits of the underlying porphyry intrusives and the purpose of this work will be to define the extent and principal parameters of the potential porphyries before seeking a joint venture partner to assist with the funding of more detailed, later-stage exploration.

The geophysical survey has demonstrated clearly that IP reflects the underlying geology and additional surveys, on more closely-spaced lines, will be valuable in defining targets for future scout drilling.

The Toculla Gold Project

In summary, the geological setting of the region around Toculla consists of a series of Tertiary ignimbrites and andesitic–rhyolitic lavas (the "younger volcanics") covering older volcano-sedimentary formations.

Catalina's concessions at Toculla overlie the eastern part of an extensive area of the older volcano-sedimentary rocks exposed in a "window" where the otherwise ubiquitous cover of younger volcanics has been stripped away by erosion.

The darker areas in Figure 12 are indicative of fresh, unaltered younger volcanics; the older volcano-sedimentary rocks are lighter in colour due to extensive hydrothermal alteration.

Figure 12: Structural Control on Hydrothermal Systems near Toculla.

Toculla lies on a large regional-scale, NW-SE-trending structure (the Toculla-Puchuldiza Fault) which hosts active hydrothermal systems at Toculla, Uscana, Huancure, Tuja and Puchuldiza. The structure appears to exert a profound control on the geological setting of the Toculla concessions.

The gold-bearing Puchuldiza-Tuja geothermal system lies some 30-40 km to the southeast and hosts a "non-JORC" resource of circa 1 million oz. of gold and other precious metals in veins and stockworks developed in explosion breccias and silicified zones.

NW – SE structural trends such as the Toculla-Puchuldiza Fault are significant in both Argentina and Chile where prominent sets of similar lineaments strike across the Cordillera from east of the Puna in Argentina to the Chilean coast. Research suggests that repeated reactivation of these left-lateral strike-slip systems can create sites for mineral deposition.

At Toculla, there is evidence of two high-sulphidation ("HS") epithermal complexes in the eastern and central part of the concession area.

Some 500 m to the north of these, an extensive, roughly east-west trending zone of silicification (Silica Ridge) is flanked by argillic alteration. It is over 1,100 m long and approximately 200 m wide (Figure 13). It lies on strike with several hot, hydrogen-sulphide emitting thermal springs and is intruded by a series of hydrothermal breccias.

The proximity of the HS systems and the hot spring–silicification zone raises the intriguing possibility of interaction between the two and the remobilisation and re-concentration of precious metal mineralisation – possibly associated with a series of younger hydrothermal breccias.

Samples from the hydrothermal breccias have returned low precious metal values consistent with those found in the upper levels of epithermal complexes. Arsenic and barium are anomalous; lead, antimony, tellurium, zinc and cadmium are elevated and molybdenum values are high. Mercury values are particularly high with a maximum value of 23 ppm.

Toculla presents a similar geological, stratigraphic and structural setting to that in which the gold-silver mineralisation has been developed at Puchuldiza-Tuja. Similar precious metal mineralisation may well have developed at Toculla.

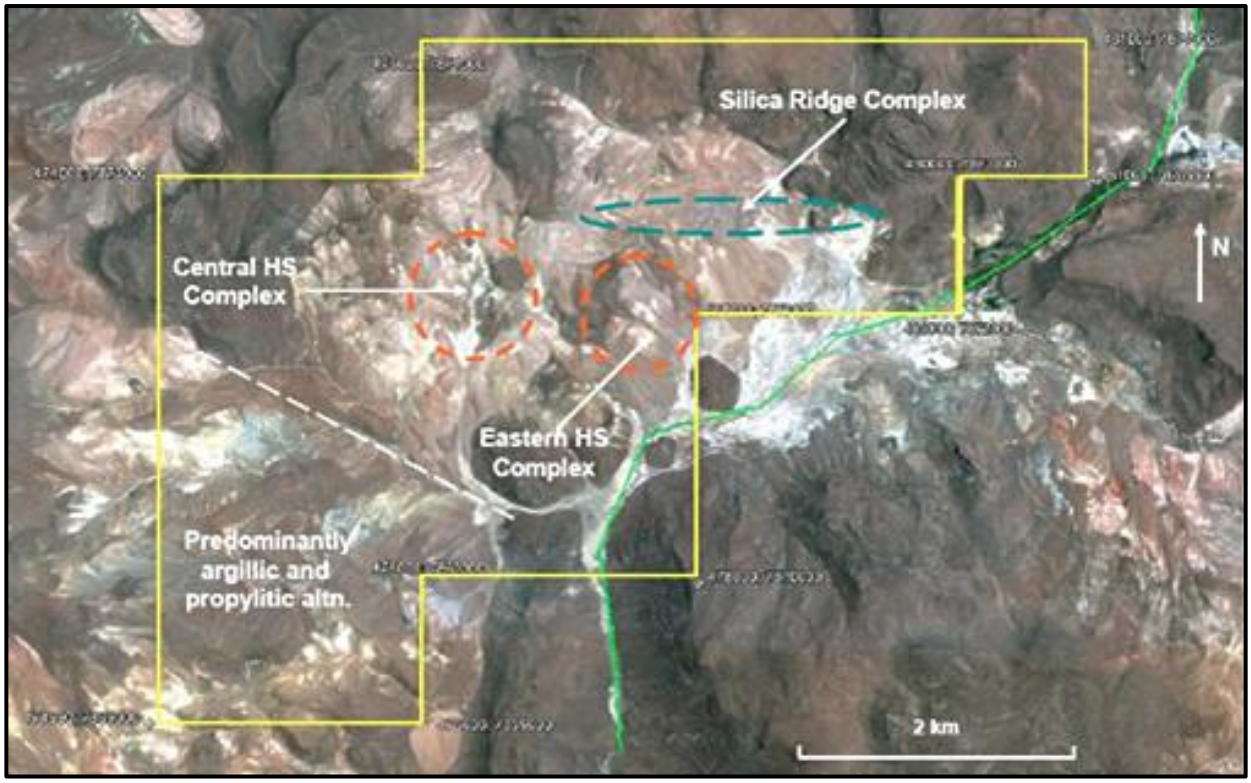

Figure 13: Geological Features of the Toculla Concessions.

Some eight RC drillholes have been completed to unknown depths at some time in the past at Toculla.

The holes intersected broad zones of anomalous gold pathfinder geochemistry but were sited without any modern, target definition geophysical survey. It is clear that no work has been undertaken locally for some years.

Argali was contracted to complete a reconnaissance induced polarisation (IP) survey at Toculla along five N-S trending lines (see Figure 14).

The primary objective of the geophysical survey was to help delineate deep zones of possible copper porphyry mineralisation and/or epithermal gold mineralisation and to provide data to assist in the mapping of various geological structures, zones of mineral alteration and differing lithologies.

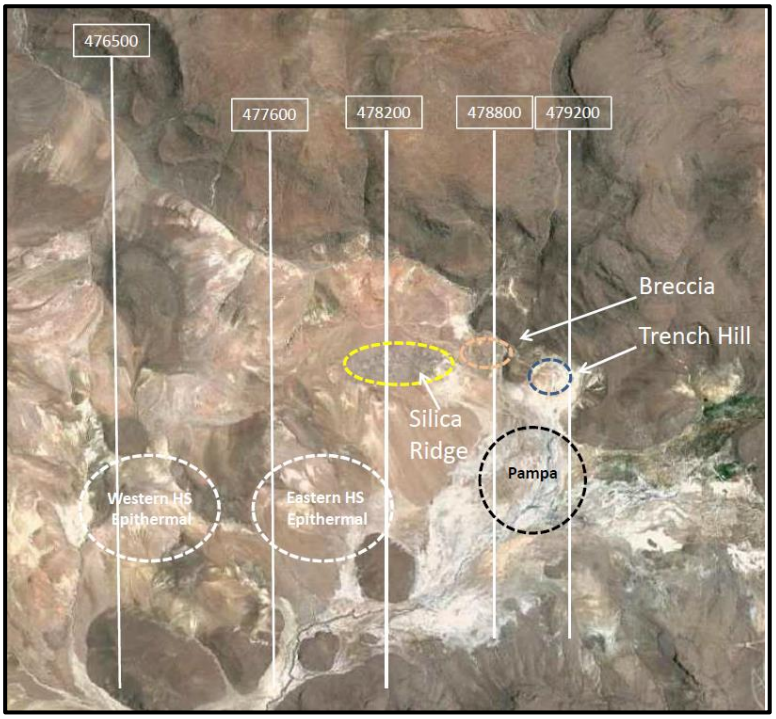

Figure 14: Exploration targets and geophysical survey lines at Toculla.

Data were acquired with a pole-dipole array and a dipole spacing of 150 m expanded through eight separations (n= 1 to 8). Five lines totalling 17.4 km were surveyed on a line spacing varying from 500 to 1,000 m. These covered the main target areas delineated during previous exploration - Silica Ridge, the Breccia, Trench Hill, the Pampa area and the two HS Epithermal gold targets.

The chargeability data from the IP survey outline a deep, weakly-chargeable, bimodal zone striking ENE beneath Silica Ridge, coincident with a weakly-resistive zone at depth. Figures 15 and 16 indicate that along the strike of Silica Ridge there is an inverse relationship between chargeability and silicification at surface. The lower chargeabilities underlie the areas of strongest silicification.

A possible explanation is that the silicification is related to a younger event which has destroyed or partially replaced older mineralisation reflected in the chargeability highs. The significance of this observation is that the majority of the previous drilling at Toculla on Silica Ridge was concentrated in the area with the greater silicification and lower chargeabilities. Consequently, the areas with the more anomalous chargeability remain untested at depth. More promising ground may lie to the west and east where the chargeability anomaly is more strongly developed.

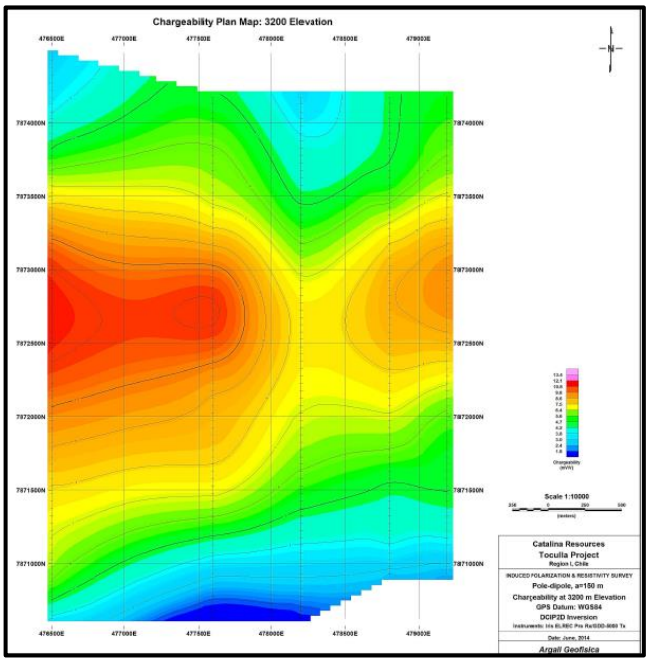

Figure 15: Chargeability at 3,200 m elevation.

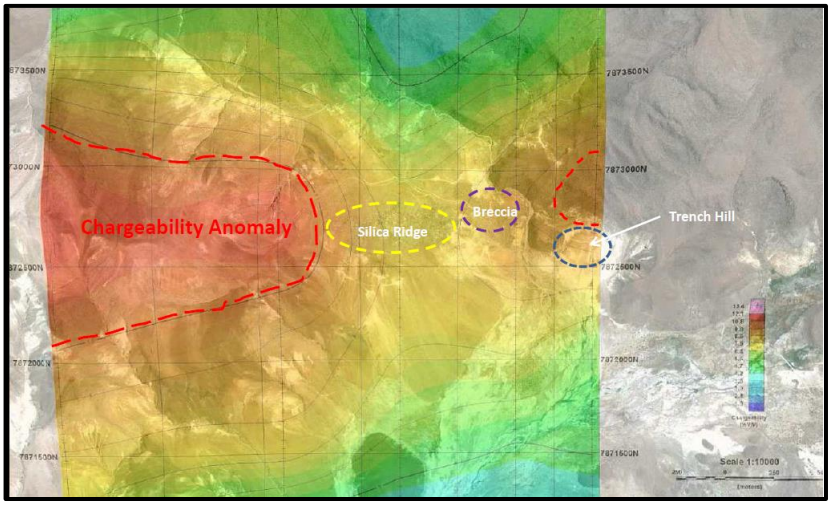

Figure 16: Chargeability data superimposed on the Google Earth image.

It is not yet known why the chargeability widens to the west where it remains open. Hydrothermal alteration appears to extend at least 2 or 3 km west of the IP grid. Consequently, it is possible that the chargeability anomaly also extends a significant distance to the west. Additional IP lines are required to determine its full extent.

A second shallow, wide, comparatively high-amplitude (8-10 mV/V) chargeability anomaly occurs on the south end of the western Line 475600E in the south west of the survey area. This anomaly is associated with relatively high resistivities, seen elsewhere to be the response of younger post-alteration rocks; however, such rocks do not appear to be present at this location. Consequently, this anomaly appears to be produced by a combination of lithology and/or alteration that is not observed on the surface elsewhere within the IP grid.

This second anomaly also coincides with reports of anomalous Mo geochemistry.. The resistivities and chargeabilities associated with this zone are similar to the deep resistive-chargeable zones identified in the main anomaly under Silica Ridge. Consequently, it is a possibility that both anomalous zones may be produced by similar lithology and alteration. Further fieldwork is planned for October 2014.

Review of Operations

Corporate

Conditions in the mining sector of the financial markets during the past twelve months have remained largely unsupportive and so further equity-raising has, again, not been possible.

Consequently, to strengthen the balance sheet in order to facilitate future equity-raising opportunities, £492,129 5% Convertible Unsecured Loan Stock 2016 ("Convertible Loan Stock") has been created by the Company and has been issued in full in settlement of the unpaid liabilities accruing to its directors and officers ("the Principals") since 2010 for their fees, salaries and allowances. Additionally, the Principals have agreed to defer payment of all further fees until such time as the Company attains a secure financial base.

Additional loans amounting to £79,819, to meet the Company's immediate working capital requirements, were received during the year from Phipps & Company Limited ("Phipps & Co"); initially on similar terms to the existing loan arrangements. However, Phipps & Co, on 1 July 2014, agreed to take further Convertible Loan Stock on the same terms as for the Principals amounting to £200,000 in full settlement of all of the short-term loans and the accumulated interest thereon.

Further details of the Convertible Loan Stock are set out in the Directors' Report on page 15.

No other significant fund-raisings have taken place either during or since the yearend.

Costs continue to be kept to an absolute minimum with all efforts being directed towards maintaining the Group's Chilean assets in good standing pending increased investor interest in the financing of early-stage exploration projects.

Operating Risks and Uncertainties

In addition to any direct project-specific risks and uncertainties which could, potentially, arise in any of the active prospects discussed above, the Group also faces a number of generic risks which may often be beyond its direct control. Wherever possible, appropriate mechanisms are deployed to eliminate, minimise or mitigate them. These include the following categories:

- susceptibility to political and socio-economic risks;
- exploration, development and financing risks;
- operational and environmental risks;
- risks associated with fluctuations in mineral prices;
- joint-venture and co-investor risks;
- dependence on key personnel and infrastructure risks including data security; and
- the potential risks associated with diversification.

Directors' Report

The Directors present their report together with the audited Group financial statements for the year ended 30 June 2014.

Principal activity

The Company is the parent undertaking of a group which is involved in the exploration for and the development of gold, copper and other metals and minerals in Chile, either alone or in joint venture.

Financial results

Details of the results are set out in the Group Profit and Loss Account on page 19. The Directors do not recommend the payment of a dividend.

Share capital

On 2 July 2013 and 20 January 2014 the Company issued 1,000 and 1,000 ordinary shares of £1.00 each at £2.00 per share to Gavin Jacobs in consideration for on-going services.

Convertible Loan Stock

On 1 April 2014 the Company issued £492,129 5% Convertible Unsecured Loan Stock 2016 to directors and officers of the Company (represented by 328,086 ordinary shares of £1 each at an exercise price of £1.50 per share) in consideration of their unpaid fees and allowances for services rendered since July 2010. As at 30 June 2014 interest amounting to £6,134 (represented by a further 4,090 ordinary shares of £1 each at an exercise price of £1.50 per share) had accrued. The interests of the Directors are given in note 6 on page 24.

Annual General Meeting

Notice of the Annual General Meeting is set out on page 29.

Mr A J Shaw, who retires by rotation and being eligible, offers himself for re-election.

It is proposed to re-appoint Kendall Wadley LLP as auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to set their remuneration.

Resolutions 4 and 5: The Company is seeking shareholder approval to renew the authorities of the Directors to issue shares and to dis-apply pre-emption rights.

Substantial shareholdings

At 30 October 2014 the Directors were aware of the following substantial interests, apart from their own beneficial holdings as set out on page 16, in the share capital of the Company:

	Ordinary Shares of £1	
Shareholder	**Fully paid**	**%**
Phipps & Company Limited (Phipps & Co)	75,679	10.97%
Soc. de Inversiones Iugetanuma SA	61,636	8.93%
John Drinkwater	51,214	7.42%
Peter Finnegan	25,600	3.71%
Lee Morton	24,363	3.53%
Howard Appleby	23,363	3.39%

Phipps & Co has agreed to subscribe for £200,000 in 5% Redeemable Convertible Loan Stock 2016 which may result in the issue of 133,333 ordinary shares of £1 each at a price of £1.50 per share. Mr C L Phipps has a non-controlling interest in Phipps & Co.

Electronic Communications

The majority of shareholders have opted for shareholder communications to be made electronically, (typically, via email or posted on the Company's website). Certain shareholders have opted out as they wish to receive communications in hard copy format.

Going concern

The Directors consider that they have every reasonable expectation that the Group will have adequate resources to continue its operations for the foreseeable future.

The Bribery Act 2010

The Company has adopted procedures to prevent persons associated with it bribing another person on its behalf. The Company has adopted, at Board level, a risk-based approach to managing bribery risks proportionate with the Company's operations and in accordance with the Bribery Act 2010 guidelines.

Directors' Report

Directors

The present Directors of the Company, all of whom served throughout the year, are Mr P S Bridges, Mr A J Shaw and Mr C L Phipps.

Peter Bridges (UK), Managing Director, has 45 years' experience in mining and mineral exploration including 16 years as a Director, later Chief Executive, of Greenwich Resources plc – at that time a British listed public company. He is a Fellow of the Geological Society of London, a Fellow of the Institute of Materials, Minerals and Mining, a Chartered Engineer, a Euro Engineer and a Chartered Geologist.

Andrew Shaw (UK & Chile), Exploration Director, has 39 years' experience in mineral exploration with the British Geological Survey and with Greenwich Resources plc – mainly in South America and Europe. He speaks fluent Spanish and is resident in Chile.

Both of the above were heavily involved in the discovery of several mineral deposits in Venezuela and the Sappes epithermal gold deposit in Greece.

Ceri Phipps (UK), Non-Executive Director, has 29 years' experience working initially as a geologist with TMOC Resources then Greenwich Resources plc, before holding various roles within the power industry. He currently holds a number of non-executive roles within the Phipps & Co group.

The services of Mr Bridges are provided through Torridon Investments Limited.

Secretary

Christopher Bate has acted as Legal Adviser and in most cases as Company Secretary to the Robertson Group plc, Greenwich Resources plc, Highland Energy Holdings Limited, RWE Dea (UK) Limited and Caledonia Oil and Gas Limited. He specialises in business law with particular experience in natural resource companies.

Directors' interests

The Directors held the following beneficial interests in the share capital of the Company at the end of the period and at 30 October 2014:

	Ordinary Shares of £1 each	
	30 June 2014	**30 October 2014**
Director	**Fully paid**	**Fully paid**
Peter Sinclair Bridges	101,525	101,525
Andrew Jack Shaw	88,536	88,536
Ceri Lewis Phipps See note below	-	-

Note:
Mr Phipps holds a 25% equity interest in Phipps & Co. The interests of Phipps & Co are shown on page 15 under the paragraph headed 'Substantial Shareholdings' (30 June 2014 - 75,679 and 30 October 2014 - 75,679).

Directors' Indemnities

Under the Articles of Association of the Company the Directors are, in certain circumstances when acting as Directors of the Company, entitled to be indemnified out of the assets of the Company.

Creditor payment policy

Liabilities are recognised for amounts to be paid in the future for 'services received'. Trade accounts are normally settled within 30 days. Deferred terms have been agreed with certain of the creditors extant at the balance sheet date. Amounts due to trade creditors represent 2 days outstanding (2013 - 28 days).

Political and charitable donations

The Group made no political or charitable donations throughout the year.

Health and safety

The Company has a Health and Safety Policy that seeks to adhere to best practice.

Share option schemes

The Company continues to review the timing for introduction of appropriate schemes for rewarding executives and proposals will be laid before shareholders once a final decision is taken.

Environmental policy

The Company has adopted an environmental policy designed to comply with relevant environmental laws and implement best practice in its activities. It is designed to ensure that employees and third party contractors are aware of the impact of exploration activities on the environment and know how to avoid, manage and minimise any adverse effects.

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 and to be satisfied that the financial statements give a true and fair view. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors are 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 financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board

Christopher Bate
Company Secretary
30 October 2014

Registered Office:
6 Stone Close
Colwall
Malvern
Worcestershire WR13 6QZ

Independent Auditors Report to the Shareholders of Catalina Resources PLC

We have audited the financial statements of Catalina Resources PLC for the year ended 30 June 2014 set out on pages 19 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's and Group affairs as at 30 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

M A Ashworth FCA (Senior Statutory Auditor) for and on behalf of Kendall Wadley LLP

Chartered Accountants
Statutory Auditor
30 October 2014

Granta Lodge
71 Graham Road
Malvern
Worcestershire WR14 2JS

Group Profit and Loss Account

For the year ended 30 June 2014

	Notes	**2014** **£**	2013 £
Operating income	2	**-**	7,809
Exploration costs written off	3	**-**	(28,428)
Amortised goodwill	3	**(33,337)**	(33,337)
Administrative expenses	3	**(68,963)**	(92,542)
Total administrative expenses		**(102,300)**	(154,307)
Operating loss	5	**(102,300)**	(146,498)
Interest received		**-**	-
Interest paid		**(18,690)**	(7,928)
Loss on ordinary activities before taxation		**(120,990)**	(154,426)
Tax on loss on ordinary activities	7	**-**	-
Loss for the year	14	**(120,990)**	(154,426)

All transactions except exploration costs written-off arise from continuing operations.

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

CATALINA RESOURCES PLC

Group Balance Sheet

At 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	8	**525,860**	378,107
Tangible assets	9	**1,228**	1,498
		527,088	379,605
Current assets			
Bank & cash		**62,754**	15,386
Debtors	11	**375**	990
		63,129	16,376
Current liabilities			
Creditors: amounts falling due within one year	12	**(124,999)**	(116,482)
Net current liabilities		**(61,870)**	(100,106)
Total assets less current liabilities		**465,218**	279,499
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(749,268)**	(446,559)
Net liabilities		**(284,050)**	(167,060)
Capital and reserves			
Called up share capital	13	**689,151**	687,151
Share premium	14	**794,320**	792,320
Profit and loss account	14	**(1,767,521)**	(1,646,531)
Equity shareholders' funds	15	**(284,050)**	(167,060)

Approved by the Board
and authorised for issue on
30 October 2014

P S Bridges
Director

Company Registration No. 05837907

The accompanying accounting policies and notes form an integral part of these financial statements.

CATALINA RESOURCES PLC

Company Balance Sheet

At 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Investment in subsidiary undertaking	10	**569,273**	481,053
Tangible assets	9	**1,229**	1,498
		570,502	482,551
Current assets			
Bank		**60,081**	11,717
Debtors	11	**200**	990
Other debtors: amounts falling due from subsidiary after one year	11	**716,698**	593,607
		776,979	606,314
Current liabilities			
Creditors: amounts falling due within one year		**(122,148)**	(112,743)
Net current assets		**654,831**	493,571
Total assets less current liabilities		**1,225,333**	976,122
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(749,268)**	(446,559)
Net assets		**476,065**	529,563
Capital and reserves			
Called up share capital	13	**689,151**	687,151
Share premium	14	**794,320**	792,320
Profit and loss account	14	**(1,007,406)**	(949,908)
Equity shareholders' funds		**476,065**	529,563

Approved by the Board
and authorised for issue on
30 October 2014

P S Bridges
Director

Company Registration No. 05837907

The accompanying accounting policies and notes form an integral part of these financial statements.

CATALINA RESOURCES PLC

Group Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	16	**148,636**	48,434
Returns on investments and servicing of finance			
Interest paid		**-**	-
Net cash outflow from investments and servicing of finance		**-**	-
Capital expenditure			
Payments to acquire fixed assets		**(181,090)**	(88,213)
Net cash outflow from capital expenditure		**(181,090)**	(88,213)
Net cash inflow before management of liquid resources and financing		**(32,454)**	(39,779)
Financing			
New loans		**79,822**	50,000
Net cash inflow from financing		**79,822**	50,000
Increase in cash in year	17/18	**47,368**	10,221

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Accounts

1 Accounting policies

The principal accounting policies of the Group, applied throughout the period, are set out below.

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

These financial statements present information about the Company as the parent undertaking of a group.

Basis of consolidation
The Group accounts incorporate the results and assets and liabilities of Company and its subsidiary undertakings for the year ended 30 June.

Going concern
The financial statements have been prepared on a going concern basis.

Tangible fixed assets
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Fixtures, fittings and equipment - 18% reducing balance.

Intangible fixed assets
The Group uses the full-cost method of accounting for mining operations. The costs of exploring for and developing mineral reserves, which include acquisition costs, geological and geophysical costs, costs of drilling, costs of mine production facilities, and an appropriate share of directly attributable administrative costs, are treated as intangible fixed assets.

The capitalised mineral expenditure is accumulated in one or more full-cost pools as determined from time to time by the nature and scope of the Group's operations. Currently, these are reviewed on a global basis.

Expenditure in each pool is amortised using a unit-of-production basis when commercial production commences.

The aggregate amount of mineral expenditure subject to amortisation and carried forward in each pool is stated at not more than the assessed value of commercially recoverable reserves in that pool.

The Group compares the carrying value of capitalised mineral expenditure with its recoverable amount (net realisable value) on a regular basis. Any permanent impairment arising is charged to the profit and loss account.

Goodwill is amortised on a straight-line basis over 5 years.

Fixed asset investments
Fixed asset investments are included at cost less amounts written off.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transactions. Exchange differences thus arising are dealt with in the profit and loss account.

For consolidation purposes, the accounts of those overseas subsidiary undertakings which are considered to be integrated foreign operations are translated on the following basis:

- Revenue and expenditure at average exchange rate cost for the period.
- Current and other monetary assets and liabilities at the rate prevailing at the balance sheet date.
- Other assets and liabilities at rates prevailing when acquired or incurred.

This basis gives rise to translation gains or losses, the net amounts of which are included in the profit and loss account.

2 Operating income

Operating income comprises fees for services, which are recognised when the service is provided, and option payments received, which are recognised in accordance with a staged agreement.

3 Administrative expenses

Costs include the overheads of the UK parent company, currency gains and amortised goodwill. There were no exploration costs (2013 - nil) written off during the year.

4 Loss attributable to the holding company

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial period dealt with in the accounts of the Company was £57,498 (2013 - loss £51,957).

5 Operating loss

	2014	2013
The Group operating loss is stated after charging:	**£**	£
Fees payable to the Group's auditor for the audit of group accounts	**2,500**	2,500
Foreign exchange loss	**1,354**	938

6 Directors and employees

There were no employees of the company during the year other than the Directors. The Directors were remunerated by way of consultancy fees for technical services provided as follows:

Director:	**2014**	2013
	£	£
Peter S Bridges*	**30,150**	40,200
Andrew J Shaw*	**30,150**	40,200
Ceri L Phipps**	**-**	-

* *For the period ending 30 June 2014, and subject to and in accordance with the terms of the 5% Redeemable Convertible Loan Stock 2016 agreement, Mr P S Bridges and Mr A J Shaw received all outstanding fees and certain expenses in loan stock. The respective balances of which as at 30 June 2014 were as follows: Mr P S Bridges - £176,527 (represented by 117,685 ordinary £1 shares at an exercise price of £1.50) - Mr A J Shaw - £180,497 (represented by 120,331 ordinary shares at an exercise price of £1.50). Additionally, the repayment of loans amounting to £13,513 and £37,492 respectively has been deferred indefinitely.*

7 Taxation

There is no charge to corporation tax on the result for the year (2013 – nil) due to the loss for the year.

Reconciliation of tax charge	**2014**	2013
	£	£
Result for the year	**(120,990)**	(154,427)
Corporation tax at 22.5% (2013 - 23.75%)	**(27,223)**	(36,676)
Adjusted for the effects of:		
Unutilised losses	**19,722**	28,759
Amortisation of goodwill	**7,501**	7,917
Charge per the accounts	**-**	-

The Group has trading losses of approximately £312,000 (2013 - £255,000) available for offset against future trading profits.

Notes to the Accounts

8 Intangible fixed assets

Cost	Goodwill £	Exploration & Evaluation £	Total £
At 1 July 2013	66,674	311,433	378,107
Additions	-	181,090	181,090
Less amortised goodwill	(33,337)	-	(33,337)
Less amounts written off	-	-	-
At 30 June 2014	**33,337**	**492,523**	**525,860**

9 Tangible fixed assets

Cost	Computers £
At 1 July 2013	2,355
Additions	-
At 30 June 2014	2,355
Depreciation	
At 1 July 2013	857
Charge for the year	270
At 30 June 2014	1,127
Net book amount	
At 1 July 2013	1,498
Net book amount	
At 30 June 2014	**1,228**

10 Subsidiary undertakings

	Holding	Country of incorporation	Country of operations
Minera Catalina SA	100%	Chile	Chile
Minera La Falda SA	100%	Chile	Chile

11 Debtors

Group	2014 £	2013 £
Trade debtors	**375**	909

Company	£	£
Trade debtors	**200**	990
Other debtors: amounts falling due from subsidiary after one year*	**716,698**	593,607
	716,898	594,597

**Other debtors represent amounts due from the Company's subsidiary Minera Catalina SA*

12 Creditors

Group	2014 £	2013 £
Amounts falling due within one year		
Trade creditors	**3,247**	119
Accruals	**121,752**	8,739
Loans	**-**	107,624
	124,999	116,482

All loans are repayable within 5 years.

Amounts falling due after one year		
Trade creditors	**-**	14,180
Loans*	**251,005**	49,678
5% Redeemable Convertible Loan Stock 2016	**492,129**	-
Accruals	**6,134**	382,701
	749,268	446,559

12 Creditors (continued)	2014	2013
Company	£	£
Amounts falling due within one year		
Trade creditors	**897**	119
Accruals	**121,251**	5,000
Loans	**-**	107,624
All loans are repayable within 5 years.	**122,148**	112,743
Amounts falling due after one year		
Trade creditors	**-**	14,180
Loans*	**251,005**	49,678
5% Redeemable Convertible Loan Stock 2016	**492,129**	-
Accruals	**6,134**	382,701
	749,268	446,559

**Loans include £51,005 due to the Directors of the Company over which settlement has been informally deferred until such time as funds permit. The remaining £200,000 due to Phipps & Co. was exchanged on 1 July 2014 for Convertible Loan Stock.*

13 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
689,151 ordinary shares of £1 each	**689,151**	687,151

Details of shares issued by the Company during the year are set out in the Directors' Report on page 15. As at 30 June 2014 share options over 5,500 ordinary shares of £1, exercisable (other than in certain exceptional circumstances) at £1 each, had lapsed (30 June 2013 - 5,500), and share options over 1,000 ordinary shares of £1 each were outstanding at £1.80 exercisable (other than in certain exceptional circumstances) until 7 April 2017 (30 June 2013 - 1,000).

Additionally, as at 30 June 2014 share warrants (designated Series B) over 49,062 ordinary shares of £1 each exercisable at £4.20 each had also lapsed (30 June 2013 - 49,062), and share warrants (designated Series C) over 7,623 ordinary shares of £1 each were outstanding at £2 each exercisable until 25 February 2015 (30 June 2013 - 7,623).

On 1 April 2014 the Company issued £492,129 5% Convertible Unsecured Loan Stock 2016 to directors and officers of the Company (represented by 328,086 ordinary shares of £1 each at an exercise price of £1.50 per share) in consideration of their unpaid fees and allowances for services rendered since July 2010.

As at 30 June 2014 interest on the 5% Convertible Unsecured Loan Stock 2016 amounting to £6,134 (represented by a further 4,090 ordinary shares of £1 each at an exercise price of £1.50 per share) had accrued.

14 Reserves

	Share premium	Profit and loss account
	£	£
At 1 July 2013	792,320	(1,646,531)
Shares issued during the year	2,000	-
Loss for the year	-	(120,990)
At 30 June 2014	**794,320**	**(1,767,521)**

The loss dealt with in the accounts of the parent company is £57,499 (2013 – loss £51,957).

15 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Shareholders' funds at 1 July	**(167,060)**	(16,634)
Shares issued during the period	**4,000**	4,000
Loss for the financial period	**(120,990)**	(154,426)
Shareholders' funds at 30 June	**(284,050)**	(167,060)

16 Reconciliation of operating loss to net cash inflow from operating activities

	2014	2013
	£	£
Operating loss	**(102,300)**	(146,498)
Transactions dealt with by share issue or loan notes	**113,428**	4,000
Fixed assets written down	**-**	28,428
Amortised goodwill	**33,337**	33,337
Depreciation	**270**	329
Foreign exchange movement	**1,326**	942
Decrease/(increase) in debtors	**615**	(82)
Increase in creditors	**101,960**	127,978
Net cash inflow from operating activities	**148,636**	48,434

17 Analysis of net debt

	1 July 2013	Cash flow	Non-cash changes	**30 June 2014**
	£	£	£	**£**
Net cash:				
Cash at bank and in hand	15,386	47,368	-	**62,754**
Net debt:				
Debts falling due in less than one year	(107,624)	(79,822)	187,446	**-**
Debts falling due in more than one year	(49,678)		(699,590)	**(749,268)**
	(157,302)	(79,822)	(512,144)	**(749,268)**
Net debt	(141,916)	(32,454)	(512,144)	**(686,514)**

18 Reconciliation of net cash flow to movement in net debt

	2014	2013
	£	£
Increase in cash in the year	**47,368**	10,221
Cash outflow from increase in debt	**(79,822)**	(50,000)
Change in net debt resulting from cash flows	**(32,454)**	(39,779)
Issue of loan notes in settlement of fees and accumulated interest	**(510,818)**	(7,928)
Foreign currency translation difference	**(1,326)**	(942)
Movement in net debt in the year	**(544,598)**	(48,649)
Opening net debt	**(141,916)**	(93,267)
Closing net debt	**(686,514)**	(141,916)

19 Capital commitments

The Company had no capital commitments at 30 June 2014.

20 Contingent liabilities

There were no contingent liabilities at 30 June 2014.

21 Transactions with related parties

Other than disclosed above there are no related party transactions except as follows:

During the year Mr C L Phipps, through his 25% non-controlling equity holding in Phipps & Co, was interested in the Loan Agreements agreed between the Company and Phipps & Co on 15 September 2009 for the sum of £37,000, on 26 November 2012 for the sum of £50,000, on 19 February 2014 for the sum of £50,000 and on 30 June 2014 for the sum of £29,819. The balance at 30 June 2014, including accrued interest, was £200,000 (2013 - £107,624).

During the year 5% Unsecured Convertible Loan Stock 2016, which is redeemable, was issued in settlement of fees accrued to directors and officers or the entities in which they hold an interest. The amounts and directors involved are; Mr P S Bridges through his interest in Torridon Investments Limited £174,354, Mr A J Shaw £178,275 and Mr C M Bate £69,750. Interest due of £2,179, £2,228 and £871 respectively has been added to the principal sums in accordance with the terms of the loan note.

Also during the year Mr P S Bridges, through his controlling interest in Torridon Investments Limited, was interested in an agreement to provide office services amounting to £4,594 (2013 - £6,000).

22 Post Balance Sheet Event

On 1 July 2014 Phipps & Co agreed, in full settlement of its loan to the Company, to subscribe for £200,000 5% Convertible Unsecured Loan Stock 2016 (represented by 133,333 ordinary shares of £1 each at an exercise price of £1.50 per share).

Notice of Annual General Meeting

Notice is hereby given that the seventh Annual General Meeting of Catalina Resources PLC will be held at 6 Stone Close, Colwall, Malvern, Worcestershire WR13 6QZ on Thursday, 27 November 2014 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report and Financial Statements for the year ended 30 June 2014 together with the Auditors' Report.
2. To re-elect Mr A J Shaw who, in accordance with the Company's articles, retires by rotation.
3. To re-appoint Kendall Wadley LLP as auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to set their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions:

4. **Ordinary Resolution:** That the Directors be and are hereby empowered, in accordance with the provisions of Section 551 of the Companies Act 2006, until the 2015 Annual General Meeting, to allot relevant equity securities up to a maximum nominal amount of £3,500,000.
5. **Special Resolution:** That the Directors be and are hereby empowered, in accordance with the provisions of Section 571 of the Companies Act 2006, until the 2015 Annual General Meeting, to dis-apply the statutory pre-emption rights and allot relevant equity securities for cash, other than to existing shareholders, up to a maximum nominal amount of £3,500,000.

By order of the Board

Christopher Bate
Company Secretary
30 October 2014

Registered Office:

6 Stone Close
Colwall
Malvern
Worcestershire
WR13 6QZ

Notes:

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy may not be a member of the Company. A proxy card is enclosed.