CATALINA
RESOURCES PLC

Annual Report 2016

Company Number: 05837907

Contents

CATALINA
RESOURCES PLC

Corporate Information

Company Registration Number (England):	05837907
Registered and UK Office:	Catalina Resources PLC 6 Stone Close Colwall Malvern Worcestershire WR13 6QZ
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E-mail:	info@catalinaresourcesplc.co.uk
Website:	www.catalinaresourcesplc.co.uk
Directors:	Peter S Bridges Andrew J Shaw Ceri L Phipps
Secretary and Solicitor:	Christopher M Bate Bryn-y-Môr Bangor Gwynedd LL57 2HG
Independent Auditors:	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Banker:	Bank of Scotland 600 Gorgie Road Edinburgh EH11 3XP

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.

Despite another 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. All concession titles remain in good standing.

Following the success of the geophysical surveys at Jiguata in 2014, much of the past year has been spent trying to find a potential joint venture partner or purchaser for the Jiguata Project. Unfortunately, the continuing slump in base and precious metal prices has resulted in cross-the-board reductions in exploration budgets and aversion to the adoption of early-stage exploration projects.

Although our efforts have yet to be successful, efforts to this end continue.

This review provides a brief description of Catalina’s projects. Details on the work completed to date and salient features of the geology of the individual projects are available on the Company’s website at www.catalinaresourcesplc.co.uk

Project Locations

Jiguata lies approximately 150 km east-northeast of the city of Iquique in Region I of Chile. Access is straightforward – a 3-hour drive by 4x4 vehicle 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.

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 (~12,500 feet) above sea level.

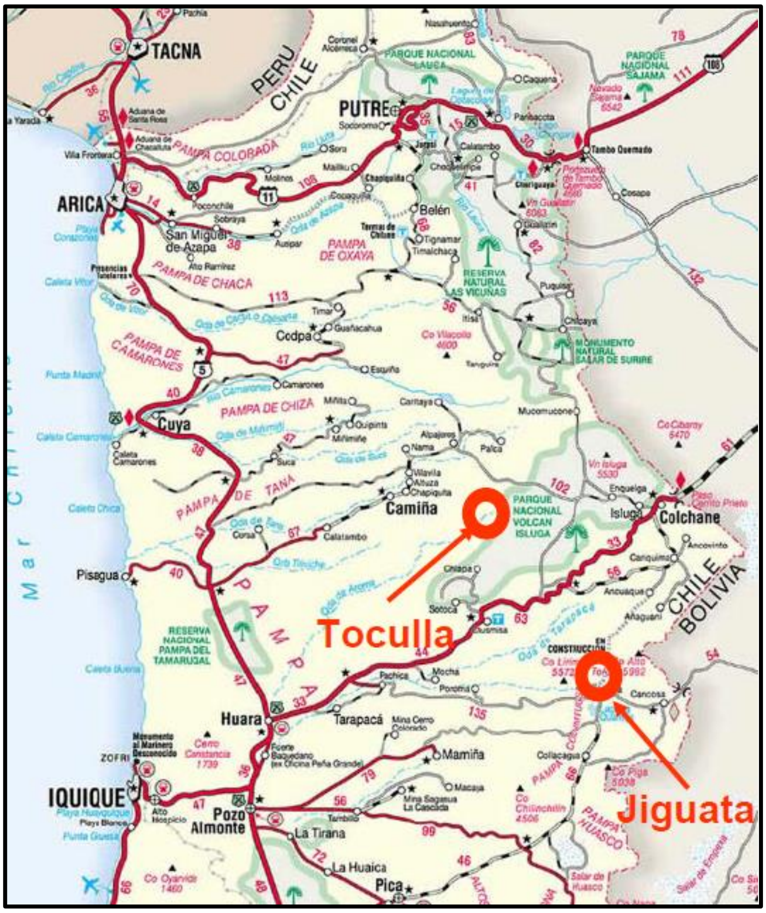

Figure 1: Location of the Jiguata and Toculla Projects.

The Jiguata Concessions

Catalina's 35 Jiguata A exploration concessions, covering an area of 10,000 hectares, have expired but have been replaced with the now extant Jiguata B concessions covering exactly the same area. The concession ownership map (catastro minero) of the Jiguata area (Figure 2) shows the layout of the various concessions.

The concessions cover all areas of geological interest and all of the chargeability and resistivity anomalies revealed by geophysical surveys completed in 2014.

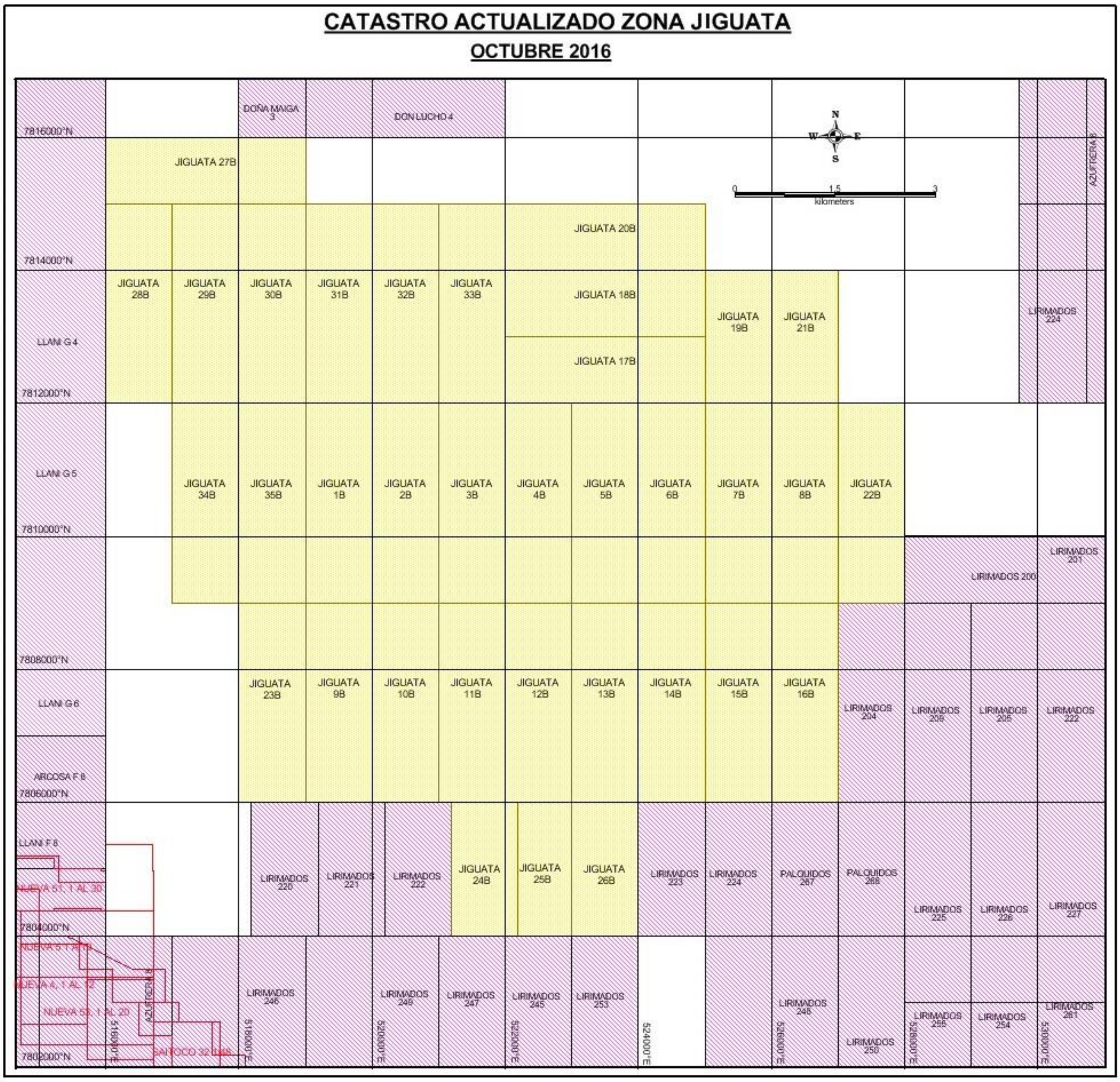

Figure 2: The Jiguata Concessions

The Toculla Concessions

The original 14 Toculla A exploration concessions covering a total area of 3,300 hectares have been reduced to eight new Toculla B concessions covering an area of 2,200 hectares. Fieldwork has indicated that these peripheral areas discarded display no geophysical or geochemical anomalies.

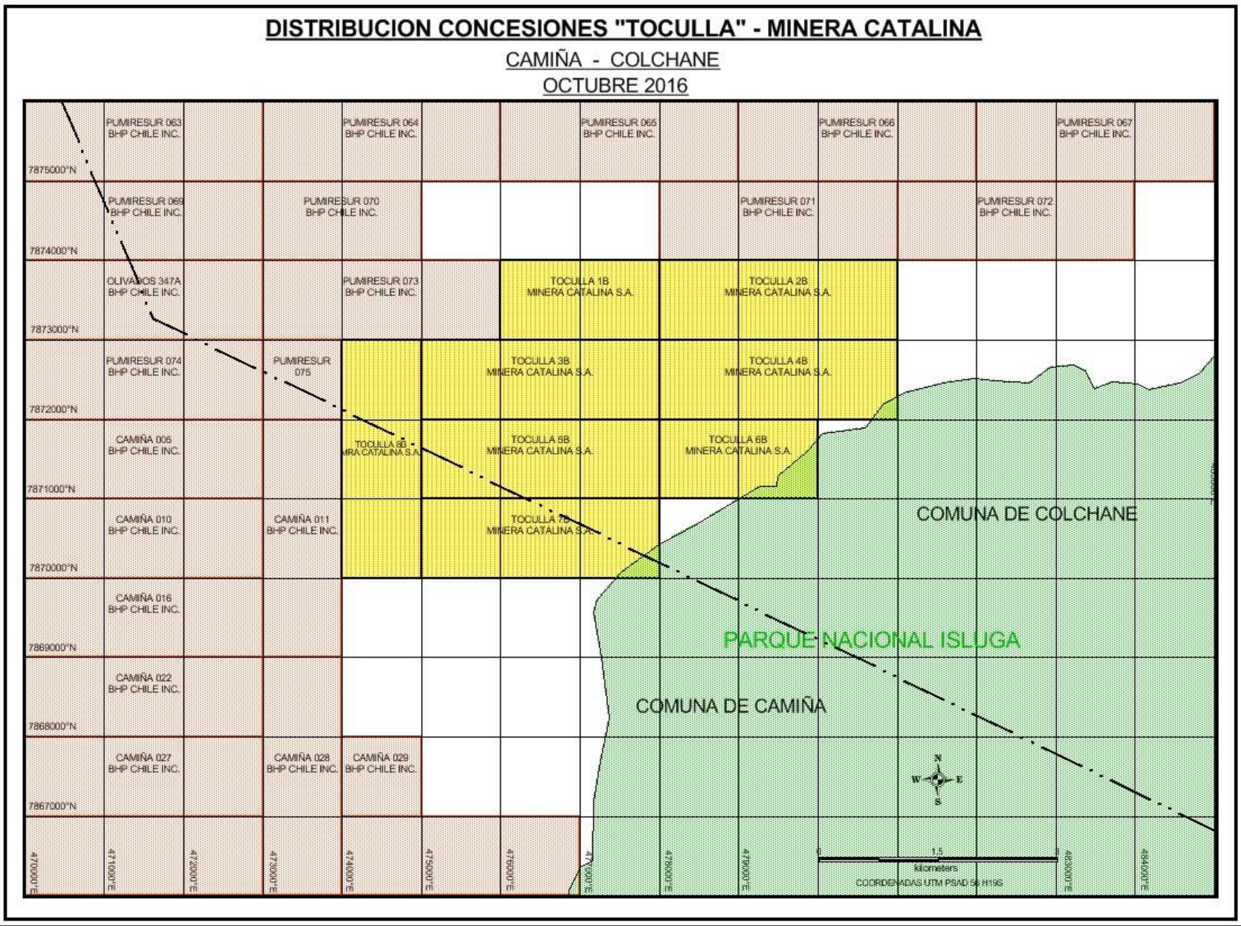

Figure 3: The Toculla Concessions.

Description of the Jiguata Project

The Geological Setting

Initially targeted as a high-sulphidation epithermal gold project, geochemical and geophysical surveys completed by Catalina at Jiguata prompted a re-classification and all efforts are now directed towards locating a new underlying porphyry-copper target at depth. This revised strategy is strengthened by analogies with the large Collahuasi copper mines located in an area of similar geology, geochemistry and geophysical responses, some 120 km to the south.

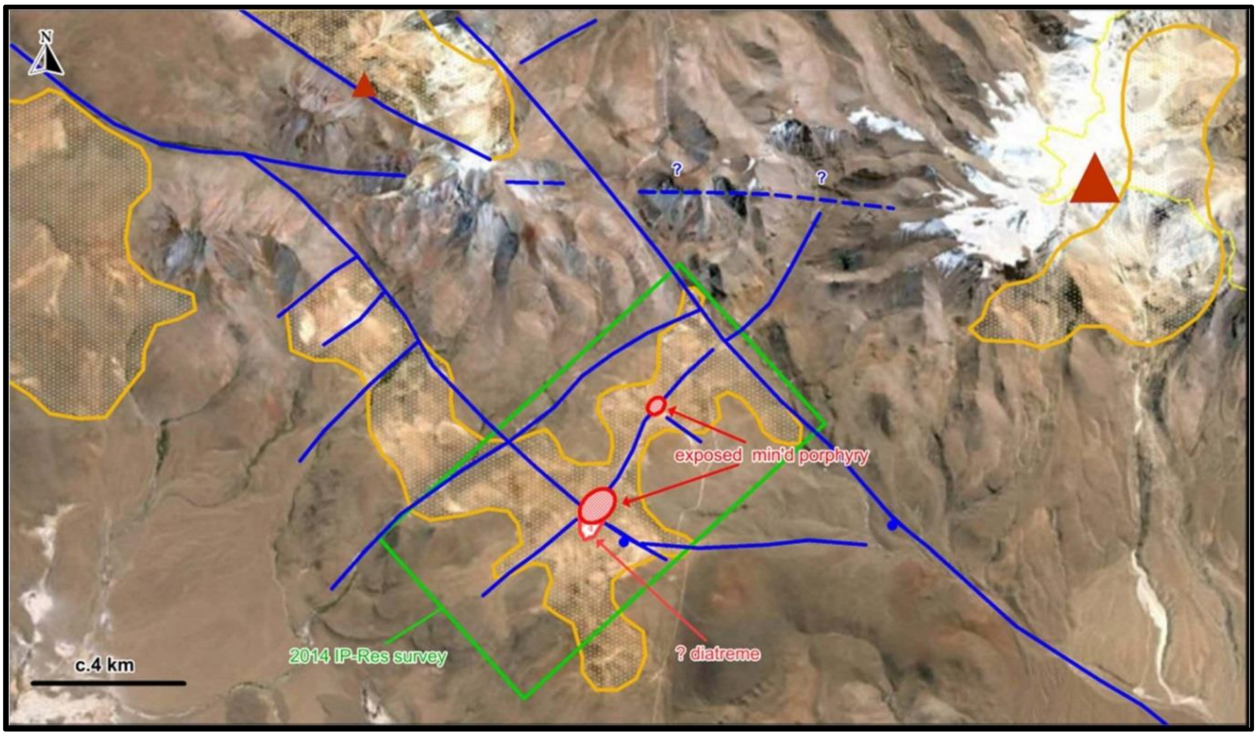

Figure 4: Satellite image of the Jiguata area.

Figure 4 is a district-scale satellite image of the Jiguata Project with the main geological features superimposed. A scale-bar in the lower left of the image gives an indication of scale. The approximate area of the 2014 IP-resistivity survey is outlined in green.

The orange line delineates the surface exposure of the oldest rocks in the area - a sequence of steam-heated, hydrothermally altered lavas and ashes with chalcedony replacement, partially obscured by a younger volcanic sequence originating from two Miocene volcanic complexes to the north and northeast of Jiguata – the two red triangles. On the image the older sequence is generally lighter-coloured; the younger lavas and pyroclastics are darker.

The 2014 Geophysical Survey at Jiguata

The geophysical survey comprised six lines, one-kilometre apart, varying in length from 7,600 to 9,600 metres for a total of 53.8 line kilometres.

The data can be viewed on the Company's website at www.catalinaresourcesplc.co.uk

Chargeability Anomalies

Strong chargeability anomalies from 20 to 35 mV/V were outlined on all six lines. In several areas, they are fairly close to the surface but in most areas, the anomalies are at a depth of 100 to 300 m with each line showing relatively continuous, deep, chargeable zones over 5 km wide.

It is likely that the chargeability anomaly (blue outline in Figure 5) measures approximately 7x7 km and that it is possible that porphyry mineralisation is widespread at depth below the post-mineral cover and steam-heated alteration.

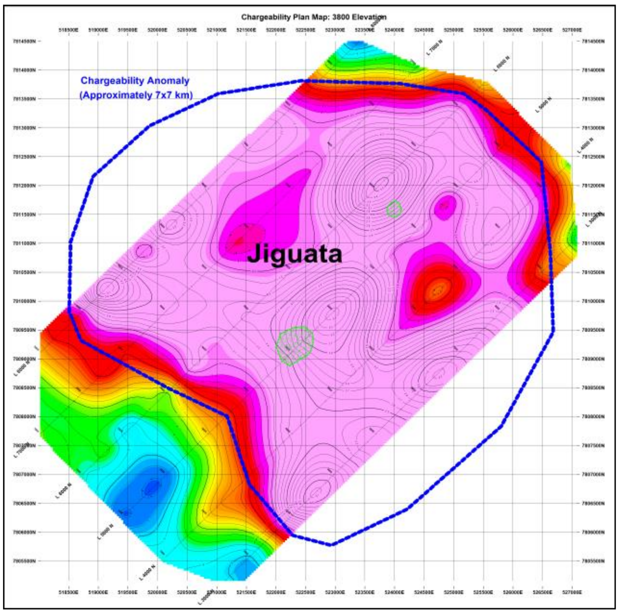

Figure 5: Inverted Chargeability Slice at 4,100 m.

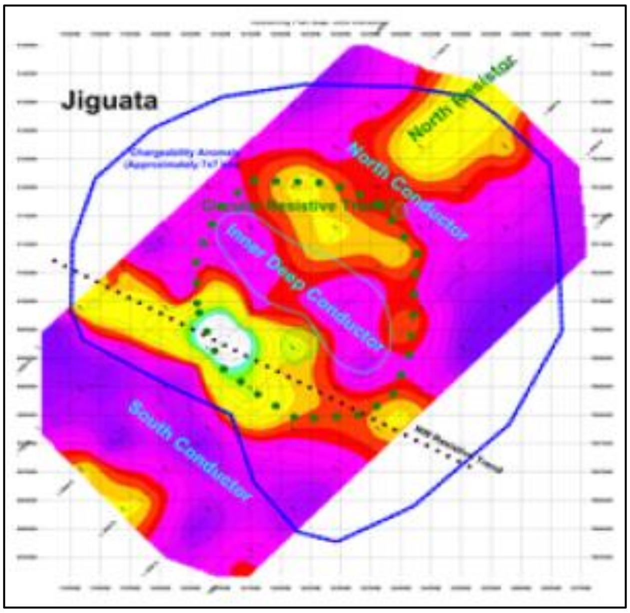

Figure 6: Resistivity at 3900m elevation.

Resistivity Anomalies

Figure 6 shows that the area of the main chargeability anomaly shows a complex resistivity response.

A deep conductor, the "Inner Deep Conductor", is located to the northeast of the NW Resistive zone. It correlates with an area of high chargeability, lies between the two known outcrops of mineralised porphyry-style veining and is considered prospective for deep porphyry mineralisation.

The "North Conductor" is located immediate NE of the circular resistive trend and the strong chargeability anomaly and is considered prospective for porphyry mineralisation. Strong, deep conductors are also observed on the central and northern portions of the two outer lines, 3000N and 8000N, associated with strong chargeability anomalies.

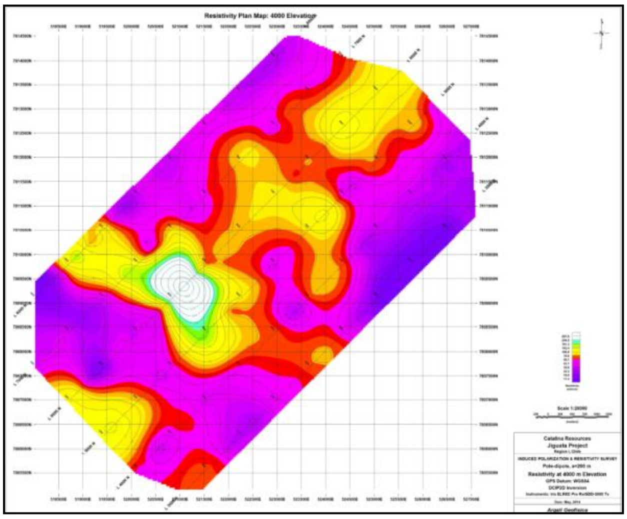

Figure 7: Resistivity at 4000m elevation.

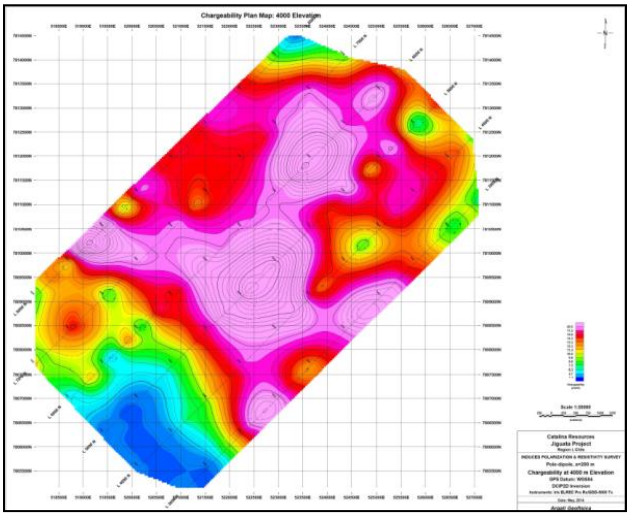

Figure 8: Chargeability at 4000m elevation.

Comparison between Jiguata and other porphyry copper deposits in northern Chile
Jiguata lies in prime exploration country to the north of Chile's Eocene–Oligocene Metallogenic Belt – one of the most prolific copper mining regions in the world. Much of the Jiguata area is covered in younger Miocene volcanics, obscuring the older rocks below.

The Belt includes over thirty Cu/Mo porphyry deposits containing 220 million tonnes of copper metal. It contains many world-class mining operations the nearest of which are the mines of the Collahuasi complex (the Rosario, Copaquire, Quebrada Blanca and Ujina porphyry intrusions), approximately120-130 km to the south of Jiguata.

A comparison of the geophysical anomalies at Jiguata and those at Collahuasi reveals:

- Porphyry intrusions at Collahuasi all host large chargeability anomalies covering areas from 4 to 6 km in diameter.
- The Jiguata chargeability anomaly is somewhat bigger than both the Rosario and the Ujina anomalies.
- The circular resistivity anomaly at Jiguata is approximately the same size as the chargeability anomaly at Ujina.
- At Collahuasi 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.
- The intensity of the chargeability and resistivity anomalies at Jiguata are similar to those observed over the Collahuasi deposits.

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

Summary
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 younger (probably Miocene) post-mineral cover or overprinting by steam-heated epithermal alteration.

The strongest and shallowest chargeability anomalies correlate closely to two outcrops of mineralised porphyry-style veining. 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-style veining. Consequently, the strong, deep chargeability anomalies at Jiguata may also be associated with porphyry mineralisation.

Two historic drill holes are located near the 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 characteristic of the large porphyries south of Jiguata at the Rosario, Ujina, Quebrada Blanca, and Copaquire deposits.

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 interpretation of the geology and geophysics presented above greatly expands the geological potential of the Jiguata Project. There is no guarantee at this stage that these newly-identified targets carry economic mineralisation but 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 in potential value.

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

The geological setting of the region around Toculla consists of a series of probable Miocene ignimbrites and andesitic–rhyolitic lavas (the “younger volcanics”) covering older volcano-sedimentary formations.

Catalina’s concessions at Toculla overlie the eastern sector 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 9 are indicative of fresh, unaltered younger volcanics; the older volcano-sedimentary rocks are lighter in colour due to extensive hydrothermal alteration.

Figure 9: Structural Control on Hydrothermal Systems near Toculla.

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

Silica Ridge and Trench Hill show some low-sulphidation characteristics. They lie along the same structure, form parts of the same hydrothermal system and are geochemically distinct from the HS complexes some 500 m to the south.

Samples from Silica Ridge and Trench Hill display anomalous gold-pathfinder geochemistry. This, coupled with the large amounts of silica expelled on Silica Ridge, suggest that Toculla may also be the near-surface expression of a low sulphidation epithermal precious metal deposit or an epithermal hot spring deposit similar to that developed at Puchuldiza.

Silica Ridge is a large structure and represents the expulsion of very large volumes of silica from an underlying geothermal/epithermal system over a considerable period of time. It would seem likely from observations to date that the main period of silica deposition and its accompanying argillic alteration took place before the extrusion of the younger volcanic cover lavas.

The fact that at the present day there are active thermal springs along similar structural trends points towards a possible reactivation of feeders and channels either as a consequence of the younger volcanism or of more recent tectonism along the NW-SE trending strike-slip faulting.

Gold mineralisation at Puchuldiza is found in veins, stockworks and sinters associated with the hot springs and geysers developed in the pampa. A similar area of pampa is developed at Toculla. It contains relict springs which are now cold. The pampa at Toculla is almost entirely unexplored and warrants mapping and sampling in the first phase of the exploration programme to determine whether it is underlain by Puchuldiza-style mineralisation.

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.

As reported in previous years, Phipps & Company Limited ("Phipps & Co") subscribed for 5% Convertible Unsecured Loan Stock 2016 ("the Stock") amounting to £250,000 in total. To meet further working capital requirements two additional subscriptions of £25,000 each in the Stock were made by Phipps & Co on 8 February and 12 July 2016 respectively and incorporated into the existing Stock, the maturity date of which has been extended, on 30 October 2015, to 31 March 2017 and, on 12 July 2016, to 31 March 2018.

As a consequence of the extended maturity date the Stock has been re-designated as 5% Convertible Unsecured Loan Stock 2018. Further details are set out in the Directors' Report on page 11.

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 2016.

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 15. The Directors do not recommend the payment of a dividend.

Share capital

On 9 September 2015 and 8 February 2016 the Company issued 1,000 and 1,333 ordinary shares of £1.00 each at £2.00 and £1.50 per share respectively to Gavin Jacobs in consideration for on-going services.

Convertible Loan Stock

On 8 February 2016 the Company issued for cash a further £25,000 in 5% Convertible Unsecured Loan Stock 2017 to Phipps & Co (represented by 16,667 ordinary shares of £1 each at an exercise price of £1.50 per share). As at 30 June 2016 interest amounting to £83,013 (represented by a further 55,342 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 23.

Annual General Meeting

Notice of the Annual General Meeting is set out on page 27.

Mr C L Phipps, 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 9 November 2016 the Directors were aware of the following substantial interests, apart from their own beneficial holdings as set out on page 12, in the share capital of the Company:

Shareholder	**Ordinary Shares of £1 Fully paid**	**%**
Phipps & Company Limited (Phipps & Co)*	75,679	10.21%
Soc. de Inversiones Iugetanuma SA	61,636	8.32%
John Drinkwater	51,214	6.91%
Joseph Jordan	45,000	6.07%
Peter Finnegan	25,600	3.45%
Lee Morton	24,363	3.29%
Howard Appleby	23,363	3.15%

** Phipps & Co has subscribed for £275,000 (2015 - £250,000) in 5% Redeemable Convertible Loan Stock 2017 which, including accrued interest to maturity date, may result in the issue of 207,474 (2015 - 180,631) 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

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 47 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 41 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 31 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 9 November 2016:

	Ordinary Shares of £1 each	
	30 June 2016	**9 November 2016**
Director	**Fully paid**	**Fully paid**
Peter Sinclair Bridges	101,525	101,525
Andrew Jack Shaw	88,536	88,536
Ceri Lewis Phipps*	-	-

** Mr Phipps holds a 25% equity interest in Phipps & Co. The interests of Phipps & Co are shown on page 11 under the paragraph headed 'Substantial Shareholdings' (30 June 2016 - 75,679 and 9 November 2016 - 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 18 days outstanding (2015 - 13 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
9 November 2016

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

CATALINA
RESOURCES PLC

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 2016 set out on pages 15 to 26. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors
As explained more fully in the Directors' Responsibilities Statement, set out on page 13, 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 group'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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its loss 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 Review of Operations 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, 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

M A Ashworth FCA (Senior Statutory Auditor)

9 November 2016

For and on behalf of Kendall Wadley LLP
Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire WR14 2JS

Group Profit and Loss Account

For the year ended 30 June 2016

	Notes	**2016** **£**	2015 £
Operating income	2	**-**	-
Exploration costs written off	3	**-**	-
Amortised goodwill	3	**-**	(33,337)
Administrative expenses	3	**(4,030)**	(5,286)
Total administrative expenses		**(4,030)**	(38,623)
Operating loss	5	**(4,030)**	(38,623)
Interest received		**-**	-
Interest paid		**(40,467)**	(36,412)
Loss on ordinary activities before taxation		**(44,497)**	(75,035)
Tax on loss on ordinary activities	7	**-**	-
Loss for the year		**(44,497)**	(75,035)
Total comprehensive income for the year		**(44,497)**	(75,035)

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 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	8	**570,313**	546,855
Tangible assets	9	**827**	1,008
		571,140	547,863
Current assets			
Bank & cash		**16,480**	31,342
Debtors	11	**141**	137
		16,621	31,479
Current liabilities			
Creditors: amounts falling due within one year	12	**(10,945)**	(27,497)
Net current assets		**5,676**	3,982
Total assets less current liabilities		**576,816**	551,845
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(901,148)**	(835,680)
Net liabilities		**(324,332)**	(283,835)
Capital and reserves			
Called up share capital	13	**740,984**	738,651
Share premium		**821,737**	820,070
Profit and loss account		**(1,887,053)**	(1,842,556)
Equity shareholders' funds		**(324,332)**	(283,835)

Approved by the Board and authorised for issue on 9 November 2016

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 2016

	Notes	**2016**	2015
		£	£
Fixed assets			
Investment in subsidiary undertaking	10	**636,180**	588,560
Tangible assets	9	**827**	1,008
		637,007	589,568
Current assets			
Bank		**2,804**	29,600
Debtors	11	**63**	69
Other debtors: amounts falling due from subsidiary after one year	11	**649,000**	755,912
		651,867	785,581
Current liabilities			
Creditors: amounts falling due within one year	12	**(5,095)**	(24,647)
Net current assets		**646,772**	760,934
Total assets less current liabilities		**1,283,779**	1,350,502
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(901,148)**	(835,680)
Net assets		**382,631**	514,822
Capital and reserves			
Called up share capital	13	**740,984**	738,651
Share premium		**821,737**	820,070
Profit and loss account		**(1,180,090)**	(1,043,899)
Equity shareholders' funds		**382,631**	514,822

Approved by the Board and authorised for issue on 9 November 2016

P S Bridges
Director

Company Registration No. 05837907

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

Group Statement of Changes in Equity

For the years ended 30 June 2016

	Share Capital £	Share Premium £	Profit and Loss Reserves £	Total £
Balances at 1 July 2014	689,151	794,320	(1,767,521)	(284,050)
Profit and total comprehensive income for the year	-	-	(75,035)	(75,035)
Shares issued during the year	49,500	25,750	-	75,250
Balances at 30 June 2015	738,651	820,070	(1,842,556)	(283,835)
Profit and total comprehensive income for the year	-	-	(44,497)	(44,497)
Shares issued during the year	2,333	1,667	-	4,000
Balances at 30 June 2016	**740,984**	**821,737**	**(1,887,053)**	**(324,332)**

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

Group Cash Flows from Operating Activities

For the year ended 30 June 2016

	Notes	2016 £	2015 £
Cash generated from operations *Being the net cash outflow from operating activities*	14	**(16,404)**	(27,080)
Investing activities			
Purchase of intangible assets		**(23,458)**	(54,332)
Net cash used in investing activities		**(23,458)**	(54,332)
Financing activities			
New loan notes issued		**25,000**	50,000
Net cash used in financing activities		**25,000**	50,000
Net decrease in cash and cash equivalents		**(14,862)**	(31,412)
Cash and cash equivalents at the beginning of the year		**31,342**	62,754
Cash and cash equivalents at the end of the year *All relating to cash at bank and in hand*		**16,480**	31,342

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

1 Accounting policies

Company information
Catalina Resources PLC is a company limited by shares incorporated in England and Wales. The registered office is 6 Stone Close, Colwall, Malvern, Worcestershire WR13 6QZ.

Consolidation
In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Catalina Resources plc and all of its subsidiaries (i.e. entities that the ggroup controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 June 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the ggroup.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the parent company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Catalina Resources PLC prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future, Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	18% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.8 Financial instruments

The company and group has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments

Financial instruments are recognised in the group and company's statement of financial position when the group or company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities 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 company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

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.

1.9 Foreign currencies

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.

1.10 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the Director required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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 written off during the year (2015 - nil).

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 £136,191 (2015 - loss £36,493).

5 Operating loss

The Group operating loss is stated after charging:	**2016** **£**	2015 £
Fees payable to the Group's auditor for the audit of group accounts	**2,500**	2,500
Foreign exchange (gain)/loss	**(79)**	47

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:	**2016** **£**	2015 £
Peter S Bridges*	**-**	-
Andrew J Shaw*	**-**	-
Ceri L Phipps*	**-**	**-**

* *For the periods ending 30 June 2016 and 30 June 2015 Mr P S Bridges, Mr A J Shaw and Mr C L Phipps received no remuneration. Through their interests held in 5% Convertible Unsecured Loan Stock 2017 their respective balances, including accrued interest as at 30 June 2016, were as follows:*
Mr P S Bridges (through his controlling interest in Torridon Investments Limited) - £194,972 (represented by 129,981 ordinary £1 shares at an exercise price of £1.50) (2015 - £185,520 - represented by 123,680 ordinary £1 shares at an exercise price of £1.50).
Mr A J Shaw - £199,356 (represented by 132,904 ordinary shares at an exercise price of £1.50) (2015 - £189,692 represented by 126,461 ordinary shares at an exercise price of £1.50).
Mr C L Phipps (through his 25% interest in Phipps & Co) - £299,817 (represented by 199,878 ordinary shares at an exercise price of £1.50) (2015 - £261,027 represented by 174,018 ordinary shares at an exercise price of £1.50).
Additionally, the repayment of loans to Mr Bridges and Mr Shaw amounting £13,513 and £37,491 respectively (2015 - £13,513 and £37,492) has been deferred indefinitely.

7 Taxation

There is no charge to corporation tax on the result for the year (2015 - nil) due to the loss for the year.

Reconciliation of tax charge	**2016**	2015
	£	£
Result for the year	**(44,497)**	(75,035)
Corporation tax at 20% (2015 – 20.75%)	**(8,899)**	(15,569)
Adjusted for the effects of:		
Unutilised losses	**8,899**	8,651
Amortisation of goodwill	**-**	6,918
Charge per the accounts	**-**	-

The Group has trading losses of approximately £409,336 (2015 - £328,777) available for offset against future trading profits.

8 Intangible fixed assets

	Exploration & Evaluation	**Total**
Net book value	**£**	**£**
At 1 July 2015	546,855	546,855
Additions	23,458	23,458
Less amounts written off	-	-
At 30 June 2016	**570,313**	**570,313**

9 Tangible fixed assets

	Computers
Cost	**£**
At 1 July 2015	2,355
Additions	-
At 30 June 2016	2,355
Depreciation	
At 1 July 2015	1,347
Charge for the year	181
At 30 June 2016	1,528
Net book amount	
At 1 July 2015	1,008
Net book amount At 30 June 2016	**827**

10 Subsidiary undertakings

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

The accounts of these subsidiaries have not been audited under local legislation.

11 Debtors

	2016	2015
Group	**£**	£
Trade debtors	**141**	137
Company		
Trade debtors	**63**	69
Other debtors: amounts falling due from subsidiary after one year*	**648,937**	755,912
	649,000	755,981

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

12 Creditors	**2016**	2015
Group	**£**	£
Amounts falling due within one year		
Trade creditors	**2,420**	2,472
Accruals	**8,525**	25,025
Loans	**-**	-
All loans are repayable within 5 years.	**10,945**	27,497
Amounts falling due after one year		
Trade creditors	**-**	-
Loans*	**51,005**	51,005
5% Redeemable Convertible Loan Stock 2017	**767,129**	742,129
Accruals	**83,014**	42,546
	901,148	835,680
Company		
Amounts falling due within one year		
Trade creditors	**70**	122
Accruals	**5,025**	24,525
Loans	**-**	-
All loans are repayable within 5 years.	**5,095**	24,647
Amounts falling due after one year		
Trade creditors	**-**	-
Loans*	**51,005**	51,005
5% Redeemable Convertible Loan Stock 2017	**767,129**	742,129
Accruals	**83,014**	42,546
**Loans comprise £51,005 due to the Directors of the Company over which settlement has been informally deferred until such time as funds permit.*	**901,148**	835,680

13 Share capital	**2016**	2015
	£	£
Allotted, called up and fully paid		
740,984 ordinary shares of £1 each	**740,984**	738,651

Details of shares issued by the Company during the year are set out in the Directors' Report on page 11.

As at 30 June 2016 share options over 1,000 ordinary shares of £1 each were outstanding at £1.80 per share exercisable (other than in certain exceptional circumstances) until 7 April 2017 (2015 - 1,000).

On 2 February 2016 the Company issued £25,000 for cash in 5% Convertible Unsecured Loan Stock 2017 to Phipps & Co (represented by 16,667 ordinary shares of £1 each at an exercise price of £1.50 per share) (2015 - £250,000 and 166,666 shares respectively).

As at 30 June 2016 the balance, including interest, of the 5% Convertible Unsecured Loan Stock 2017 amounted £850,142 (represented by 566,761 ordinary shares of £1 each at an exercise price of £1.50 per share). (2015 - £784,675 and 523,116 ordinary shares respectively). Interest, included in the above, amounted to £83,013 (represented by 55,342 ordinary shares of £1 each at an exercise price of £1.50 per share). (2015 - £42,546 and 28,364 shares respectively).

14 Financial instruments	**2016**	2015
Group	**£**	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	**141**	137
Carrying amount of financial liabilities		
Measured at amortised cost	**912,093**	863,177
Company		
Carrying amount of financial assets		
Debt instruments measured at amortised cost	**649,063**	755,981
Carrying amount of financial liabilities		
Measured at amortised cost	**906,243**	860,327

15 Cash generated from operations	**2016**	2015
	£	£
Result for the year after tax	**(44,497)**	(75,035)
Adjustments for:		
Transactions dealt with by share issue or loan notes	**(4,000)**	(11,162)
Finance costs	**40,467**	36,412
Amortisation of goodwill	**-**	33,337
Depreciation of tangible fixed assets	**181**	220
Foreign exchange movement	**(79)**	-
Movements in working capital:		
(Increase)/decrease in debtors	**(4)**	238
Decrease in creditors	**(8,472)**	(11,090)
Cash generated from operations	**(16,404)**	(27,080)

16 Capital commitments

The Company had no capital commitments at 30 June 2016.

17 Contingent liabilities

There were no contingent liabilities at 30 June 2016.

18 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 a 25% non-controlling equity holding in Phipps & Co, was interested in £275,000 5% Convertible Unsecured Loan Stock 2017 (represented by 183,333 ordinary shares of £1 each at an exercise price of £1.50 per share). (2015 - £250,000 and 166,666 shares respectively.) As at 30 June 2016 the balance held by Phipps & Co in 5% Convertible Unsecured Loan Stock 2017, was £299,817 including interest due of £24,817 (2015 - £261,027 and £11,027 respectively).

During the year, through a controlling holding in Torridon Investments Limited, interest due to Mr P S Bridges, of £9,451 (2015 - £8,987) has been added to the principal sum of the 5% Convertible Unsecured Loan Stock 2017 in accordance with the terms of the loan note. As at 30 June 2016 the balance held by Torridon Investments Limited, in 5% Convertible Unsecured Loan Stock 2017, including interest, was £194,972 (2015 - £185,520).

During the year, interest due to Mr A J Shaw of £9,669 (2015 - £9,189) has been added to the principal sum of the 5% Convertible Unsecured Loan Stock 2017 in accordance with the terms of the loan note. As at 30 June 2016 the balance held by Mr A J Shaw in 5% Convertible Unsecured Loan Stock 2017, including interest, was £199,356 (2015 – £189,692).

Notice of Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting of Catalina Resources PLC will be held at 6 Stone Close, Colwall, Malvern, Worcestershire WR13 6QZ on Friday, 2 December 2016 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report and Financial Statements for the year ended 30 June 2016 together with the Auditors' Report.
2. To re-elect Mr C L Phipps 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 2017 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 2017 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
9 November 2016

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.