Praetorian Resources Limited

Annual Report and Audited Consolidated Financial Statements

for the year ended 31 March 2014

Praetorian Resources Limited

Contents

Company Summary

The Company
The Company is a Guernsey registered investment holding company incorporated with limited liability. Its shares are traded on the London Stock Exchange's Alternative Investment Market ("AIM").

Investment Policy
The Company's investment policy is to achieve capital appreciation through the purchase and sale of a wide range of securities and other investments within target sectors, which it will effect indirectly through its investment in a Limited Partnership. The initial target sector is natural resources stocks, an area where the Board feels that there is an opportunity to take advantage of what it sees as depressed valuations in many mining and energy stocks.

In order to capitalise on the opportunity, the Company has assembled a high quality Board and set of advisers with substantial experience and a long term track record within the target sectors. The Company has been structured as an investment holding company in order to give the Board maximum flexibility to achieve its goals, and is domiciled in a tax efficient jurisdiction to ensure shareholders receive the benefit from any realised profits.

The Company will utilise the contacts and skill of the Board and its advisers to attract and carry out appropriate due diligence on portfolio opportunities. Management will use its expertise and contact base to source new opportunities.

Opportunities will be chosen through a careful selection process which will appraise both the fundamental factors specific to the opportunity as well as wider economic considerations. Typical factors that will be considered are the strength of management, the quality of the asset base, the investment's scale and growth potential, the commodity price outlook, any geopolitical concerns, the underlying financial position, future working capital requirements as well as potential exit routes. Furthermore, in order to avoid excessive portfolio concentration, the Company will generally hold no more than 20% of its Net Asset Value in any single portfolio company at the time of investment.

The Company will be looking to take advantage of the tight credit conditions and inherent value currently available in its target sectors by investing into new investee companies at attractive valuations. The Company will be looking to aggregate significant stakes in its preferred portfolio companies and to act as a supportive, long term shareholder, although it may also apply an active and hands-on approach where necessary to generate value.

Chairman's Report

Dear Shareholder

The Company has faced another difficult year. At the period end our net assets attributable to ordinary shareholders was £10,222,354 equating to a Net Asset Value per Share of 21 pence, a decline of 34% from the previous audited period end.

Whilst the general macro-economic climate has seen some signs of improvement, the junior resources sector is still facing challenging times and remains out of favour within the investment community. Access to capital continues to be a substantial problem for the sector.

Although there have been encouraging developments within the portfolio, many positive results which historically would have provided a catalyst for share price increases have been largely ignored by the market. The Board and Advisory and Execution Team have spent a great deal of time working pro-actively with the portfolio constituent companies; assisting with the sourcing of strategic partners and ensuring they remain well funded and strategically positioned to capitalise as and when market conditions improve. Whilst the Net Asset Value of the Company remains suppressed, the Board believes that the portfolio is as robust as it can be given the underlying conditions in our target sector.

Throughout these difficult times, the Company has continued to prudently monitor its operating costs and has endeavoured to reduce its cash commitments wherever possible. During April 2014 a support services agreement was cancelled at a significant discount to the value of the contract, further reducing the Company’s cost base. The Board intends to announce additional cash conservation measures in due course and we believe that the Company has made every effort to match its operating cost base to the underlying conditions of the market in which it operates.

During May 2014 the Company also announced a series of share buybacks and subsequent share cancellations. As previously reported the buybacks were targeted to try to reduce any potential overhang in the Company's share register and to close the discount between the Company's share price and Net Asset Value per share.

Further to the announcement in June 2014 that Mark Hohnen and Richard Lockwood have stepped down from the Board, the Chairman would once again like to thank them both for their contribution to the Company since its incorporation. Mr. Lockwood retains his position as an advisor to the Company as part of the Advisory and Execution Team. The Company also welcomes Kaare Foy and Nathan Steinberg to the Board who bring with them extensive sector experience and public markets knowledge.

The Board are cognisant of the fact that the Company remains undercapitalised in its current form and through its advisers are actively searching for opportunities to bring renewed positive momentum and scale to Praetorian. We look forward to being able to update shareholders in due course.

Robert King - Chairman
June 2014

Investment Update

Please see below for a summary of the six key positions of the Company that currently equate to approximately 80% of the net asset value.

Maya Gold and Silver is quoted on the TSX Venture Exchange and has a market capitalisation of approximately C$53m. The company is focused on developing its suite of mining assets in Morocco with its most advanced asset, the Zgounder silver mine, currently moving into commercial production. Drilling grades indicate the high potential for Zgounder (excellent grades over mineable widths) and the prospect of near term production means that it stands out from many other pure silver exploration plays. Maya's second asset, Boumadine, is a poly metallic ex mine with significant tailings retreatment possibilities. Maya will be recompiling the significant data from previous drilling at Boumadine during 2014 (40k metres drilled historically).

Savannah Resources is quoted on the AIM market of the London Stock Exchange and has a market capitalisation of approximately GBP 8m. After a full board restructure during 2013 and a refinancing lead by new CEO David Archer, the company's current assets include a strategic stake in AIM listed Alecto Minerals which is exploring for gold principally in Ethiopia and which has a JV with Centamin and a mineral sand asset in Mozambique (Jangamo). Positive initial assays were released during February 2014 from Savannah's Jangamo project and during April 2014 the company announced a GBP 1.5m equity placing to further develop the Jangamo asset as well as a USD 6.3m funding arrangement to purchase a copper / gold asset in Oman. There have also been new hires expanding the technical teams in both Mozambique and Oman with further drilling results expected from Jangamo in the near term.

Polar Star Mining Corporation is a main board TSX listed Chilean copper / gold company with a market capitalisation of approximately C$12m. During the past twelve months Polar has moved from an active exploration and operating company to one which holds material stakes in several potentially large mining assets across Chile. On 14 January 2014 Polar announced the signing of a JV agreement with Newmont Mining Corp for the exploration and development of its flagship Montezuma asset. As part of the deal Newmont invested CAD 2m in Polar at a premium price of CAD 0.18 per share with a three phase earn in arrangement totalling CAD 20m over the next 7 years. In addition to the Newmont deal Polar has concluded the sale of its Chepica mine and Mejillones phosphate asset to AIM quoted Xtract Resources plc.

A Cap Resources is quoted on the Australian Stock Exchange and has a market capitalisation of approximately A$17m. A-Cap continues to move forward with a pre-feasibility study on its large Botswana uranium asset. The company is attempting to become Botswana's leading energy company through the development of its uranium and coal assets. Last year's upgrade shows the potential for a much higher grade core zone and significantly improved economics in terms of production costs per lb. In February A-Cap released a positive report on its Mea coal asset. During May the company closed an AUD 5.8m fundraising by way of a placing and an underwritten rights issue, this new infusion of capital will allow A-Cap to complete all of the feasibility work necessary to allow it to apply for a formal uranium mining licence in Botswana. The company also recently announced the recommencement of a 5000m drill programme in Botswana.

Equatorial Palm Oil is quoted on the AIM market and has a market capitalisation of approximately £32m. The company is in the process of developing its three Liberian palm oil assets which total 169,000 hectares. During November 2013 EPO received a cash offer of 5p per share for its entire issued share capital from Kuala Lumpur Kepong Berhad ("KLK"), one of the largest plantation companies in Malaysia. Further to the closing of the offer in December 2013 KLK now owns 63.18% of EPO as well as a 50% interest in EPO's Liberian palm oil subsidiary, Liberian Palm Developments Limited ("LPD"). With only c. 15% of EPO's shares in free float, liquidity / availability of stock is very tight, this coupled with a recent announcement that it had signed a JV with a subsidiary of KLK that will provide up to USD 35.5m in non-dilutive cash and funding commitments to LPD as well as an additional USD 20.5m line of finance that is available to LPD at the discretion of KLK has resulted in a re-rating of the stock. Shareholders now await positive news of an acceleration of the Liberian planting programme.

Investment Update (continued)

Galileo Resources is quoted on the AIM market of the London Stock Exchange and has a market capitalisation of approximately £9m. Galileo recently acquired the entire issued share capital St Vincent Minerals Inc ('SVM') by way of a share exchange. 26.19m new Galileo shares were issued to SVM shareholders representing 22.88% of the enlarged issued share cap in a deal valued at CAD 4.33m. SVM's principal asset is the Gabbs copper / gold property in Nevada, the NI-43-101 compliant inferred resource is estimated at 1.61 million gold (Au) equivalent ounces in 57 million tonnes deposit grading 0.56g/t Au (1.029 million ounces) and 0.234% Cu. The company continues to develop its Glenover rare earth phosphate asset and is seeking out strategic JV partners to move both assets towards production.

Advisory and Execution Team
June 2014

Directors

Robert King (Chairman)

Robert is a non-executive director of a number of open and closed ended investment funds and companies. He was a director of Cannon Asset Management Limited and its associated companies from October 2007 to February 2011. Prior to this, he was a Director of Northern Trust International Fund Administration Services (Guernsey) Limited (formerly Guernsey International Fund Managers Limited) where he had worked from 1990 to 2007. He has been in the offshore finance industry since 1986 specialising in administration and structuring of offshore open and closed ended investment funds. Rob is British and resident in Guernsey.

Kaare Foy

Kaare was an executive director of Great Panther Silver Limited, a silver exploration and mining company based in Vancouver, from 1994 until the beginning of 2012 and was its Executive Chairman when it reached a market capitalisation of more than US$600 million in 2011. He is currently chairman of Viscount Mining Limited and Polar Star Mining Corporation, and has been heavily involved with silver and gold projects in North America. He also serves as executive chairman for Canadian exploration company Cangold Limited, and is a non executive director of Golden Prospect Precious Metals Limited.

Nathan Steinberg

Nathan is a Director at Sovereign Mines Of Africa plc and is a Partner in the London practice of Munslows. He has previously served as the Chairman of East West Resources plc as well as formerly holding positions on the Boards of Pan African Resources plc and Longships plc. He is an experienced tax adviser and has considerable corporate experience of public companies and is a Member of Council of the Institute of Chartered Accountants in England and Wales.

Directors' Report

The Directors present their Annual Report and the Audited Financial Statements for the year ended 31 March 2014.

Status and Activity
The Company is an investment holding company incorporated on 22 February 2012 with limited liability in Guernsey under the Companies (Guernsey) Law, 2008.

Its shares were admitted to trading on the London Stock Exchange's AIM on 9 July 2012. As at 31 March 2014 the Company had 49,093,951 Ordinary shares and 23,205,393 Subscription shares in issue. The Company also held 1,000,000 Ordinary shares as Treasury shares and has issued 7,263,922 unlisted warrants.

The Company's investment objective is to build a focused natural resource investment vehicle in order to generate positive returns to shareholders. The investment policy is as detailed on page 2.

Results and Dividends
The Company's performance during the year is discussed in the Chairman's Report on page 3. The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 15. The Company did not pay any dividends during the year (2013: £Nil) and the Directors do not recommend the payment of a dividend for the year ended 31 March 2014.

At the year end the net assets attributable to the ordinary shareholders were £10,222,354 (2013: £16,128,166) and the net asset value per Ordinary share was 21 pence (2013: 32 pence).

Taxation
The Company has been granted exemption from Guernsey taxation and is charged an annual exemption fee of £600. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption from Guernsey tax.

Directors' Responsibilities
The Directors are required by the Companies (Guernsey) Law, 2008 to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the group and of the surplus or deficit of the group for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which 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 (Guernsey) Law, 2008. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors who held office at the date of approval of this report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors
The Directors of the Company who served during the year, and subsequently, are as follows;

Robert King (Chairman)
Kaare Foy - appointed 9 June 2014
Nathan Steinberg - appointed 9 June 2014

Richard Lockwood - resigned 9 June 2014
Mark Hohnen - resigned 9 June 2014
Malcolm Burne - resigned 27 June 2013
Andrew Ferguson - resigned 27 June 2013

Directors' Report (continued)

Directors (continued)
The Directors held the following interests in the share capital of the Company either directly or beneficially as at 31 March 2014.

	Ordinary Shares	**Subscription shares**
Robert King - (a)	-	-
Richard Lockwood - (b)	3,471,000	1,735,500
Mark Hohnen - (a)	2,000,000	1,000,000

(a) - independent director
(b) - non independent director due to his position on the Advisory and Execution Team, disclosed further below in material contracts.

The number of shares held by Malcolm Burne, who resigned from his role as Director on 27 June 2013, is disclosed in note 13 to the Consolidated Financial Statements. Andrew Ferguson, who also resigned on 27 June 2013, held no shares in the Company during his time as a Director.

Note 17 to the Consolidated Financial Statements details changes to the Board of Directors post year end and changes to Richard Lockwood's beneficial holding as a result of a post year end transaction.

All Directors are entitled to a fee of £20,000 per annum and received the following remuneration during the year:

	Charge for year £	Outstanding at year end £
Robert King (Chairman)	20,000	-
Richard Lockwood	20,000	20,000
Mark Hohnen	20,000	20,000
Malcolm Burne	4,835	-
Andrew Ferguson	4,835	-
	69,670	40,000

With effect from 1 April 2013 Richard Lockwood and Mark Hohnen have agreed to defer their fees until further notice, although the Company will continue to accrue for such fees for the time being.

Directors fees of £7,500 in relation to Praetorian Resources (GP) Limited, a subsidiary of Praetorian Resources Limited, are due to Brian O'Mahoney, who is also a director of the Administrator, with £3,750 outstanding at year end. With effect from 1 April 2013 Robert King has agreed to waive his Directors fee with regards to this entity.

Authority to buy back shares
A shareholder resolution, which took effect upon Admission to AIM, has been passed granting the Company authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares and 14.99 per cent. of the Subscription Shares in issue during any twelve month period. Any repurchase of Ordinary Shares or Subscription Shares will be made in accordance with the Articles of Association of the Company and the Companies (Guernsey) Law, 2008, as amended (the "Law"), and within guidelines established from time to time by the Board and will be at the absolute discretion of the Board, and not at the option of the Shareholders.

This authority will lapse on the date of the Company’s next annual general meeting. Subject to Shareholder authority for proposed repurchases, general purchases of up to 14.99 per cent. of the Ordinary Shares in issue and up to 14.99 per cent. of the Subscription Shares in issue will only be made through the market. The minimum price (exclusive of expenses) which may be paid for an Ordinary Share or a Subscription Share is £0.01 per share and the maximum price (exclusive of expenses) which may be paid for an Ordinary Share or a Subscription Share shall be not more than five per cent. above the average of the middle market quotation for the Ordinary Shares or the Subscription Shares (as appropriate) for the five business days before the purchase is made.

Any repurchase by the Company of 15 per cent. or more of any class of its shares (excluding shares of that class held in treasury) will be effected by way of a tender offer to all Shareholders of that class.

Directors' Report (continued)

Authority to buy back shares (continued)
On 16 April 2013 the Company announced an on-market share buy-back of 1,000,000 ordinary shares, 2% of the ordinary shares in issue at this time, at a price of 31 pence each. These buy back shares will be held by the Company as Treasury shares. Please refer to note 17 of the Consolidated Financial Statements which details post year end transactions regarding further share buy backs and share cancellations.

Material Contracts
The Company's material contracts are with Arlington Group Asset Management Limited ("AGAM"), to provide administration and support services, Legis Fund Services Limited, which acts as Administrator for the Company, Westhouse Securities Limited ("Westhouse"), which acted as Nominated Adviser, Pareto Securities Limited (formerly known as Ocean Equities Limied) which acts as the Company's Broker and Computershare Investor Services (Guernsey) Limited, which acts as Registrar. Please refer to note 17 of the Consolidated Financial Statements which details post year end transactions regarding the administration and support services contract with AGAM.

The Company also has contracts with the members of the Advisory and Execution team, who are Richard Lockwood, Malcolm Burne and Charles Cannon-Brookes. The Advisory and Execution team provide investment advisory services to the Board.

The Advisory and Execution Team operate under the investment criteria set out by the Board and within the guidelines of the Prospectus issued by the Company dated 4 July 2012 (the "Prospectus"). They will advise the Board in relation to the existing and proposed investments by the Company and give instructions on behalf of the Board for the execution of all transactions relating to the investment, realisation and/or reinvestment of the funds or any part thereof. Subject to the overall supervision of the Directors, the Advisory and Execution Team has complete discretion to buy, sell, retain, exchange or otherwise deal in investments for the account of the Company in line with the Investment Policy of the Company as set out in the Prospectus. As disclosed in note 5 to the Consolidated Financial Statements, the Advisory and Execution Team have formed Praetorian (Special Limited Partner) L.P. in order that they may receive any interest in any performance incentive fee payable by the group.

Charles Cannon-Brookes is considered to be an 'investment manager' of the Company for the purposes of the AIM Rules for Companies because he is a member of the Advisory and Execution Team whilst not being a Director or employee of the Company. Subsequent to his resignation from the Board on 27 June 2013 Malcolm Burne is also considered to be an 'investment manager' for the same reason.

Further details of these contracts can be found in note 13 to the Consolidated Financial Statements.

Substantial Shareholdings
As at 31 March 2014, the following parties held interests in 3% or more of the issued Ordinary Shares of the Company.

Shareholder / Nominee Account	Ordinary shares held	% of ordinary share capital
Roy Nominees Limited	5,747,015	11.47%
Chase Nominees Limited	5,110,584	10.20%
Pershing Nominees Limited	4,200,000	8.38%
Ferlim Nominees Limited	3,755,400	7.50%
A-CAP Resources Limited	3,536,750	7.06%
TD Direct Investing Nominees (Europe) Limited	3,218,210	6.42%
The Bank of New York (Nominees) Limited	2,267,426	4.53%
Securities Services Nominees Limited	2,000,000	3.99%
HSBC Global Custody Nominee (UK) Limited	2,000,000	3.99%
Jim Nominees Limited	1,776,428	3.55%
Lynchwood Nominees Limited	1,588,500	3.17%
Nutraco Nominees Limited	1,565,904	3.13%

Directors' Report (continued)

Relations with Shareholders
The Board welcomes shareholders' views and places great importance on communication with its shareholders.

All Ordinary Shareholders have the opportunity to attend and vote at the Annual General Meeting during which the Board and the Advisory and Execution Team will be available to discuss issues affecting the group. The Board is informed of shareholders' views through updates from the Advisory and Execution Team and the Broker as to meetings they have held with shareholders.

Annual General Meeting
The notice for the Annual General Meeting of the Company, which is to be held on 20 August 2014 at 11 am, is on page 33 of this document. The form of Proxy for the Annual General Meeting will accompany these Consolidated Financial Statements.

Shareholder Information
Up to date information regarding the Company, including its Net Asset Value, can be found on the Company's website, which is www.praetorianresources.com

Corporate Governance
The Board of Directors is responsible for the corporate governance of the Company. As a Guernsey incorporated company and under the AIM rules for companies, the Company is not required to comply with The UK Corporate Governance Code published by the Financial Reporting Council ("UK Code"). However, the Directors place a high degree of importance on ensuring that high standards of Corporate Governance are maintained and as such the Company is committed to complying with the corporate governance obligations appropriate to the Company's size and nature of business. The Company does not, nor does it intend to, adopt the UK Code.

However, as a Guernsey incorporated company, the Company is required to comply with the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission ("GFSC Code") introduced on 1 January 2012. During the year the Board has continued the process of reviewing the elements of the GFSC Code that it deems to be practical and relevant to a Company of this size and nature. As a consequence of the changes to the Board it was no longer felt to be necessary to continue with the Nomination or the Remuneration committees. The Directors consider that the functions which were to be undertaken by the Nomination and Remuneration Committees can be incorporated into their future Board meeting agendas and that those Board meetings will provide adequate governance for a company of its size.

The Directors continue to review and assess the most appropriate Corporate Governance processes, while at all times maintaining high standards of, and generally accepted best practices of, Corporate Governance.

The Board
The Board, whose membership, and where relevant independence, is disclosed above, meets at least four times a year. Between these formal meetings there is regular contact with the Advisory and Execution Team and the Company Secretary. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company and should be brought to the attention of the Directors. The Directors also have access to the Administrator and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company. The Board is responsible for the appointment and monitoring of all service providers to the Company.

The Board has engaged specific individuals and external companies to undertake the investment management, administrative and custodial activities of the Company. Clear documented contractual arrangements are in place with these individuals and firms, which define the areas where the Board has delegated responsibility to them.

Directors' Report (continued)

The Board (continued)

However, it remains the responsibility of the Board to assess whether the outsourced activities are being performed adequately, to ensure that the Company has adequate resources and to establish procedures, including compliance plans, to be able to monitor the performance of third parties performing the outsourced activities. The Directors believe that the Board has a balance of skills and experience which enables it to perform these assessments, to provide effective strategic leadership and proper governance of the Company. The Board has considered non-financial areas of risk such as disaster recovery and staffing levels within service providers and considers adequate arrangements to be in place.

At the quarterly Board Meetings the Board receives from the Advisory and Execution team and the Administrator a full report on the Group's holdings and performance. The Board gives direction to the Advisory and Execution Team as to investment objectives and limitations and receives reports on the financial position of the Group and the custody of its assets.

The Company maintains insurance in respect of directors' and officers liability in relation to their acts on behalf of the Company. Suitable insurance is in place, commencing from 25 June 2013 and renewed for the period until 24 June 2014.

Board Committees

Where practical the Company uses committees to control certain of its operations. Each committee has formal written terms of reference, which clearly define their responsibilities.

Audit Committee

As at the year end the Audit Committee comprised Mark Hohnen (Chairman), Robert King and Richard Lockwood, following the resignation of Andrew Ferguson during the year. The terms of reference of the Audit Committee provide that the committee shall be responsible, amongst other things, for reviewing the half year and annual results before submission to the Board, reviewing the contract with the Advisory and Execution Team.

With regards to the external auditor the committee will discuss with them the scope and results of the audit and oversee the relationship with them, including; approval of their remuneration, to consider if the level of fee is appropriate to enable an adequate audit to be conducted; approval of their terms of engagement, assessing annually their independence, taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services.

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and take into account any matters within its terms of reference that may be brought to its attention by the Board. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Audit Committee will meet at least twice a year at appropriate times in the audit cycle, at which at least one meeting the external auditor will be present, and otherwise as required.

The Audit Committee feels that an internal audit function would not be appropriate given the size and nature of the Company.

Post year end both new Directors appointed to the Board have also been apointed to the Audit Committee to replace those Directors who resigned.

Nomination Committee

As at the year end the Nomination Committee consisted of Robert King (Chairman), Mark Hohnen and Richard Lockwood, following the resignation of Andrew Ferguson. The Nomination Committee met once during the year, to discuss the Board composition following the resignations of Andrew Ferguson and Malcolm Burne as part of the cost control initiatives. Following discussions it was felt that the remaining Board members held the necessary skills, knowledge and understanding of the Company's operations and that it was not necessary to make any further changes at that time. Following this it was deemed that the functions of the Nomination Committee could reasonably be taken on by the Board within its agendas and the Nomination Committee was disbanded.

Directors' Report (continued)

Board Committees (continued)

Remuneration Committee

As at the year end the Remuneration Committee consisted of Robert King (Chairman), Mark Hohnen and Richard Lockwood, following the resignation of Andrew Ferguson. It was responsible for determining the financial terms of appointment of the Directors.

The Remuneration Committee did not meet during the year. Given the review of central costs that were ongoing during the year by the Board it was deemed that the functions of the Remuneration Committee could reasonably be taken on by the Board within its agendas and the Remuneration Committee was disbanded.

Board Meetings

All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance is unavoidable in certain circumstances.

Directors' attendance at Board and Committee Meetings during the financial year is as follows;

	Robert King	Richard Lockwood	Mark Hohnen	Andrew Ferguson	Malcolm Burne
Board Meetings attended	5	2	4	1	-
Board Meetings held	5	5	5	2	2
Audit Committee Meetings attended	2	-	2	N/A	N/A
Audit Committee Meetings held	2	1	2	N/A	N/A
Nomination Committee Meetings attended	1	1	1	N/A	N/A
Nomination Committee Meetings held	1	1	1	N/A	N/A

Internal Control and Financial Reporting

The Board is responsible for establishing and maintaining the Company's system of internal controls. Internal control systems are designed to meet the specific needs of the Company and the risks to which it is exposed, and, by their very nature, provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which have been established to provide effective internal controls include:

- Legis Fund Services Limited is responsible for the provision of administration and company secretarial duties;
- The duties of investment management, accounting and the custody of assets are segregated. The procedures are designed to complement one another;
- The Audit Committee clearly defines the duties and responsibilities of the Company's agents and advisers in the terms of their contracts;
- The Board reviews financial information and compliance reports produced by the Administrator on a regular basis.

The Audit Committee reviews the Company's risk management and internal control systems quarterly and believes that the controls are satisfactory, given the size and nature of the Company.

Anti Bribery and Corruption

The Board acknowledges that the Group's international operations may give rise to possible claims of bribery and corruption. In consideration of the UK Bribery Act the Board reviews the perceived risks to the group arising from bribery and corruption to identify aspects of the business which may be improved to mitigate such risks. The Board has adopted a zero tolerance policy towards bribery and has reiterated its commitment to carry out business fairly, honestly and openly.

Financial Risk Profile

The group's main financial instruments comprise investments and cash. The main purpose of these instruments is the investment of Shareholders' funds. The most significant risks that these instruments are subject to are discussed in note 15 to the Consolidated Financial Statements.

Directors' Report (continued)

Going Concern

After making all reasonable enquires the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements since the assets of the Company consist mainly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Independent Auditor

A resolution proposing the appointment of BDO Limited as Auditor of the Company and authorising the Directors to determine their remuneration will be presented at the Annual General Meeting.

Signed on behalf of the Board on 26 June 2014 by:

Robert King
Director

Kaare Foy
Director

Independent Auditor's Report to the Members of Praetorian Resources Limited

We have audited the consolidated financial statements of Praetorian Resources Limited for the year ended 31 March 2014 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work is 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 the directors and auditor
As explained more fully in the Directors' Responsibilities Statement within the Directors' Report, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's 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 or performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the consolidated financial statements
In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

BDO Limited
CHARTERED ACCOUNTANTS
Place du Pré
Rue du Pré
St Peter Port
Guernsey

26 June 2014

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2014

	Note	Year to 31/03/2014 £	* 22/02/2012 to 31/03/2013 £
Income			
Net capital loss on investments at fair value through profit or loss	4	(4,933,721)	(7,989,575)
Investment income	4	1,179	25,735
Net investment losses	4	**(4,932,542)**	**(7,963,840)**
Expenses			
Directors' fees and expenses	13	(82,889)	(90,230)
Administration fees	5	(67,650)	(50,565)
Support services administration fees	5	(162,791)	(141,667)
Audit fees		(30,250)	(25,000)
Custodian fees	5	(9,830)	(12,500)
Broker fees	5	(22,712)	(21,963)
Consultancy fees	13	(134,000)	(100,500)
Registrar fees	5	(9,495)	(5,041)
Other expenses	6	(110,624)	(92,423)
Total expenses		**(630,241)**	**(539,889)**
Operating loss		**(5,562,783)**	**(8,503,729)**
Finance income		1,163	8,510
Finance costs	11	(106,026)	(54,516)
Loss for the financial year / period		**(5,667,646)**	**(8,549,735)**
Other comprehensive income for the year / period		-	-
Total comprehensive expense for the year / period		**(5,667,646)**	**(8,549,735)**
Basic and diluted deficit per share (pence)	8	**(11.53)**	**(17.58)**

* - The Company was incorporated on 22 February 2012 and dealings on AIM commenced on 9 July 2012 hence the trading activity of the Company was for the period 9 July 2012 to 31 March 2013, with the Company being dormant prior to 9 July 2012.

All activities derive from continuing operations.

All income is attributable to the holders of the Ordinary Shares of the Company.

The notes on pages 19 to 31 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 31 March 2014

	Note	31/03/2014 £	31/03/2013 £
ASSETS			
Non-Current Assets			
Investments at fair value through profit or loss	4	10,813,632	15,325,843
Total non-current assets		**10,813,632**	**15,325,843**
Current Assets			
Trade and other receivables		60,433	5,176
Cash and cash equivalents		1,044,814	826,052
Total current assets		**1,105,247**	**831,228**
Total Assets		**11,918,879**	**16,157,071**
EQUITY AND LIABILITIES			
Equity			
Shares issued	10	24,677,936	24,677,901
Warrants issued	10/11	72,454	-
Treasury shares	10	(310,655)	-
Retained earnings		(14,217,381)	(8,549,735)
Total Equity		**10,222,354**	**16,128,166**
Liabilities			
Non Current Liabilities			
Loan payable	11	1,481,012	-
Total non current liabilities		**1,481,012**	**-**
Current Liabilities			
Trade and other payables	12	215,513	28,905
Total current liabilities		**215,513**	**28,905**
Total equity and liabilities		**11,918,879**	**16,157,071**
Net asset value per Ordinary Share (excluding shares held in Treasury)	14	**0.21**	**0.32**

The consolidated financial statements on pages 15 to 31 were approved and authorised for issue by the Board of Directors on 26 June 2014 and were signed on its behalf by:

Robert King
Director

Kaare Foy
Director

The notes on pages 19 to 31 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2014

	Notes	Share Capital £	Warrants £	Treasury Shares £	Retained Earnings £	Total Equity £
At 1 April 2013		24,677,901	-	-	(8,549,735)	16,128,166
Total comprehensive expense for the year		-	-	-	(5,667,646)	(5,667,646)
		24,677,901	-	-	(14,217,381)	10,460,520
Transactions with owners						
Shares issued	10	35	-	-	-	35
Warrants issued	10/11	-	72,454	-	-	72,454
Share buybacks	10	-	-	(310,000)	-	(310,000)
Share buyback costs		-	-	(655)	-	(655)
Total transactions with owners		35	72,454	(310,655)	-	(238,166)
At 31 March 2014		**24,677,936**	**72,454**	**(310,655)**	**(14,217,381)**	**10,222,354**
As at 22 February 2012		-	-	-	-	-
Total comprehensive expense for the period		-	-	-	(8,549,735)	(8,549,735)
Transactions with owners						
Shares issued		25,231,101	-	-	-	25,231,101
Share issue costs		(553,200)	-	-	-	(553,200)
Total transactions with owners		24,677,901	-	-	-	24,677,901
At 31 March 2013		24,677,901	-	-	(8,549,735)	16,128,166

The notes on pages 19 to 31 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	Note	Year to 31/03/2014 £	22/02/2012 to 31/03/2013 £
Cash flows from operating activities			
Purchase of investments	4	(1,279,845)	(11,160,840)
Proceeds from sale of investments	4	858,335	3,873,013
Interest received		1,163	8,510
Operating expenses paid		(520,271)	(544,941)
Net cash outflow from operating activities		**(940,618)**	**(7,824,258)**
Cash flows from financing activities			
Proceeds from issue of shares	10	35	9,203,510
Share buybacks	10	(310,000)	-
Share transaction costs - on share issues	10	-	(553,200)
Share transaction costs - on share buybacks	10	(655)	-
Loan proceeds received	11	1,500,000	-
Loan facility issue costs	11	(30,000)	-
Net cash inflow from financing activities		**1,159,380**	**8,650,310**
Net change in cash and cash equivalents		**218,762**	**826,052**
Cash and cash equivalents at beginning of year / period		826,052	-
Cash and cash equivalents at end of year / period		**1,044,814**	**826,052**

The notes on pages 19 to 31 form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Praetorian Resources Limited (the "Company") is a closed-ended investment company with limited liability formed under the Companies (Guernsey) Law, 2008. The Company was incorporated in Guernsey on 22 February 2012 and its shares were admitted to trading on the London Stock Exchange's AIM on 9 July 2012. The Company's registered office is 11 New Street, St Peter Port, Guernsey, GY1 2PF.

The Company's investment objective is to build a focused natural resources investment vehicle in order to generate positive returns to shareholders.

The Company's shares are traded on AIM, a market operated by the London Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation
The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to the extent that they have been adopted by the European Union, and reflect the following policies, which have been adopted and applied consistently.

b) Basis of consolidation
The Consolidated Financial Statements incorporate the financial statements of the Company and the subsidiary undertakings controlled by the Company, made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiary undertakings acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The "Group" is defined as the Company and its subsidiaries Praetorian Portfolio Holding L.P., Praetorian Resources (GP) Limited and Praetorian ZDP Limited.

c) Foreign currency
Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in Pounds Sterling (£), which is the Group's functional and presentation currency.

Transactions in currencies other than Sterling are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Consolidated Statement of Financial Position are retranslated into Sterling at the rate of exchange ruling at that date.

Foreign exchange differences arising on retranslation are recognised in the Consolidated Statement of Comprehensive Income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate of exchange at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated into Sterling at foreign exchange rates ruling at the dates the fair value was determined.

d) Financial instruments
Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets
The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics.

All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at trade date, being the date on which the Group became party to the contractual requirements of the financial asset.

The Group has not classified any of its financial assets as Held to Maturity or as Available for Sale.

The Group's financial assets comprise loans and receivables and investments held at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Financial assets - Loans and Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise other receivables and cash and cash equivalents. They are initially recognised at fair value on acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment. The effect of discounting on these financial instruments is not considered to be material.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments at fair value through profit or loss

Classification

The Group classifies its investments as financial assets at fair value through profit or loss ("financial assets"). The financial assets are designated by the Group at fair value through profit or loss at inception.

Recognition

Purchases and sales of investments are recognised on the trade date – the date on which the Group commits to purchase or sell the investments.

Measurement

Financial assets at fair value are initially recognised at cost, being the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value' category are presented in the Statement of Comprehensive Income in the period in which they arise.

Fair value estimation

Marketable (Listed) Securities – Where an active market exists for the security, the value is stated at the bid price on the last trading day in the period. Marketability discounts are not applied unless there is some contractual, governmental or other legally enforceable restriction preventing realisation at the reporting date.

Unlisted Investments – are carried at such fair value as the Directors consider appropriate given the performance of each investee company and after taking account of the effect of dilution, the exercise of ratchets, options or other incentive schemes. Warrants are carried at fair value using standard Black Scholes valuation models.

Fair value heirarchy

IFRS 13 requires disclosure of fair value measurements by level of the following fair value heirarchy.

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can readily observe.

Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;

Level 3 - inputs that are not based on observeable market data (unobservable inputs).

Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either:

• when the Group has transferred substantially all the risks and rewards of ownership; or

• when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or

• when the contractual right to receive cash flow has expired.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of any financial liability measured at amortised cost.

Financial liabilities measured at amortised cost

These include loans and borrowings, payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Capital

Financial instruments issued by the Group are treated as equity if the holder has only a residual interest in the assets of the Group after the deduction of all liabilities. The Company's Ordinary Shares and Warrants are classified as equity instruments.

The Group considers its capital to comprise its Ordinary Share capital (including Treasury Shares), Warrants and retained earnings. Warrants were issued in the year, as disclosed in notes 10 and 11.

Equity instruments

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from proceeds.

Incremental costs include those incurred in connection with the placing and admission to AIM of new shares, which include fees payable under the Placing Agreement, legal costs and any other applicable expenses.

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity shareholders' funds through the Company's reserves. If such shares are subsequently sold or re-issued to the market any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity shareholders' funds through the Share capital account. Shares held in treasury are excluded from calculations when determining NAV per share as detailed in note 14.

e) Income

Interest income is recognised on a time apportioned basis using the effective interest method. Investment income is recognised on an accruals basis in the Consolidated Statement of Comprehensive Income.

f) Expenses

Expenses are accounted for on an accruals basis.

g) Share issue expenses

Any share issue expenses will be treated as a deduction from equity in the Statement of Changes in Equity. During the year there were no such expenses (2013: £553,200).

h) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Group's performance and to allocate resources is the total return on the Group's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these financial statements.

For management purposes, the Group is organised into one main operating segment, which invests in natural resources stocks. All of the Group's income is derived from its investments in natural resources stocks, which are located in various jurisdictions. Due to the Group's nature it has no customers.

i) Adoption of new and revised standards

The accounting policies adopted in the year are consistent with those of the previous financial period, with the exception of new standards that have become effective during the year. Although there were a number of new standards and interpretations that apply for the first time in 2013, the only one to impact the Company's financial statements was IFRS 13 - Fair Value Measurement ("IFRS 13").

IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not impacted the fair value measurements carried out by the Company but has resulted in increased disclosure as reflected in note 4.

At the date of authorisation of these Consolidated Financial Statements, the following standards and interpretations, which have not been applied in these Consolidated Financial Statements, were issued but not yet effective.

New International Accounting Standard		For accounting periods commencing on of after
IFRS 10	Consolidated Financial Statements	01 January 2014
IFRS 10	Consolidated Financial Statements - Amendment for investment entities	01 January 2014
IFRS 11	Joint arrangements	01 January 2014
IFRS 12	Disclosures of Interests in Other Entities	01 January 2014
IFRS 12	Disclosures of Interests in Other Entities - Amendment for investment entities	01 January 2014
IAS 27	Consolidated and Separate Financial Statements - Amendments for investment entities	01 January 2014
IAS 28	Investments in Associates and Joint Ventures	01 January 2014
IAS 32	Offsetting Financial Assets and Financial Liabilities	01 January 2014
IFRS 9	Financial Instruments *	01 January 2017 #
IFRS 7	Financial Instruments Disclosures-Amendments regarding initial application of IFRS 9*	01 January 2015

* - Still to be endorsed by the EU.   # - No earlier than 1 January 2017, but date not yet finalised

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Adoption of new and revised standards (continued)

These standards and interpretations will be adopted by the Group when they become effective. The Directors anticipate that, with the exception of IFRS 9, the adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Group. The Directors will consider what the impact of IFRS 9 will be on the Consolidated Statement of Financial Position but do not anticipate adopting the standard until the year ending March 2018 and as such have deferred this consideration until closer to the time of adoption.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have had the most significant effects on the amounts recognised in the Consolidated Financial Statements:

Going concern

After making all reasonable enquires the Directors believe that it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements since the assets of the Group consist mainly of listed securities which are readily realisable and the short term liabilities of the Group are minimal, accordingly, the Group has adequate financial resources to continue in operational existence for the foreseeable future.

Fair value of unlisted investments

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of unlisted financial investments.

The Group receives indicative net assets values ("NAV") of its level 3 unlisted investments from the administrators of those entities.

In determining the fair value of these investments a risk adjusted discount factor of 27% (2013: 50%) has been applied to the indicative net asset value due to the nature of the underlying investment and their potentially illiquid nature. For each additional 5% discount applied to the potentially illiquid investments the fair value of the investments would fall by £21,842 (2013: £40,227).

The Directors believe that the applied valuation techniques and assumptions used are appropriate in determining the fair value of unlisted financial investments. Further details are provided below in note 4.

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

For the year ended 31 March 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Opening Cost	**22,132,351**	-	**1,314,499**	**23,446,850**
Additions at cost	1,171,166	108,679	-	1,279,845
Disposals proceeds	(834,395)	-	(23,940)	(858,335)
Net realised loss on disposal of investments	(1,233,232)	-	(951,060)	(2,184,292)
Closing portfolio cost	**21,235,890**	**108,679**	**339,499**	**21,684,068**
Net unrealised (loss) / gain on investments	(11,335,073)	484,981	(20,344)	(10,870,436)
Closing valuation	**9,900,817**	**593,660**	**319,155**	**10,813,632**
Net unrealised (loss) / gain on investments	(4,126,293)	484,981	891,883	(2,749,429)
Net realised loss on disposal of investments	(1,233,232)	-	(951,060)	(2,184,292)
Net capital (loss) / gain on fair value of financial assets designated at fair value through profit or loss	**(5,359,525)**	**484,981**	**(59,177)**	**(4,933,721)**
Investment income	1,179	-	-	1,179
Total (losses)/gains on Financial Assets at fair value through profit or loss	**(5,358,346)**	**484,981**	**(59,177)**	**(4,932,542)**

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

For the period ended 31 March 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Opening Cost	**-**	**-**	**-**	**-**
Additions at cost - in specie	14,713,092	-	1,314,499	16,027,591
Additions at cost - cash	11,160,840	-	-	11,160,840
Disposals proceeds	(3,873,013)	-	-	(3,873,013)
Net realised gain on disposal of investments	131,432	-	-	131,432
Closing portfolio cost	**22,132,351**	**-**	**1,314,499**	**23,446,850**
Net unrealised loss on investments	(7,208,780)	-	(912,227)	(8,121,007)
Closing valuation	**14,923,571**	**-**	**402,272**	**15,325,843**
Net unrealised loss on investments	(7,208,780)	-	(912,227)	(8,121,007)
Net realised gain on disposal of investments	131,432	-	-	131,432
Net capital loss on fair value of financial assets designated at fair value through profit or loss	**(7,077,348)**	**-**	**(912,227)**	**(7,989,575)**
Investment income	25,735	-	-	25,735
Total losses on Financial Assets at fair value through profit or loss	**(7,051,613)**	**-**	**(912,227)**	**(7,963,840)**

The current strategy of the Group, as discussed in the 2013 Annual Report, is to concentrate the portfolio on six key positions where the Group can support and assist in management. As at the year end these key positions constitute 83% (31 March 2013: 68%) of the NAV of the Group.

Valuation techniques used in the determination of fair values, including the key inputs used, are as follows:

Fair value hierarchy level	Valuation techniques
Level 1	Fair value is the quoted bid price.
Level 2	Stock warrants acquired upon subscription to certain equity holdings in the Group's investment portfolio are recorded at fair value based on a modified Black-Scholes model. Inputs into the warrant valuation include the current market price of the underlying entity, interest rates, stock volatilities and dividends data. As all significant inputs are market-based and observable, warrants are categorized in Level 2 of the fair value hierarchy. On 20 March 2014 a debenture was purchased. Given the proximity of the purchase to the year end the debentures fair value is deemed to be the price of the transaction and accordingly has been included within Level 2.
Level 3	The fair value of investments in unlisted entities is derived by applying a discount rate, as deemed appropriate by the Board, to the NAV of the entity as supplied by that entity's management. The significant unobservable input used in arriving at the fair value is the discount rate applied by the Board. The discount rate used is the best estimate of the measure of the impact of the illiquid nature of the investments. The Group might only be able to liquidate these positions at disadvantageous prices, should the Board determine, or it become necessary, to do so. If the discount rates used in the valuation of financial assets classified as Level 3 under the fair value hierarchy were to increase or decrease by 5%, with all other variables held constant, the NAV would have decreased or increased by £21,842 (31 March 2013 : £40,227), being 0.21% (31 March 2013 : 0.25%) of NAV.

For financial instruments that are recognised at fair value on a recurring basis, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers of financial assets between fair value hierarchy levels during the year.

5. MATERIAL AGREEMENTS

Support services administration fees

Arlington Group Asset Management Limited ("AGAM") has been appointed to provide day-to-day support services, including investor relations services, to the Group as set out in the Administration and Support Services Agreement. In consideration for its services, AGAM will be entitled to receive a ratcheting quarterly administration fee based upon "Equity Funds" being the aggregate of (i) the Enlarged Share Capital, being the issued share capital of the Company on Admission to AIM, following completion of the Share Exchanges and the Cash Placing, multiplied by the Issue Price, (ii) in the event that the Company raises further funds through the issue of further Ordinary Shares, the gross proceeds of such further issues, and (iii) the resulting proceeds arising to the Company on the exercise of the Subscription Shares.

The ratcheting quarterly administration fee relates to the size of Equity Funds from time to time, ratcheting from a base fee of £40,000 per quarter where the value of the Equity Funds is £20,000,000 or less up to a maximum fee of £200,000 per quarter where the value of the Equity Funds is £100,000,000 or more. The fee is due to be increased yearly from the second anniversary of Admission in line with the percentage increase in the UK Retail Prices Index. The total charge to the Consolidated Statement of Comprehensive Income was £162,791 (2013: £141,667) of which £Nil was outstanding at the year end (2013: £Nil). Please refer to note 17 regarding a post year end agreement for cancellation and settlement of the future fees of AGAM.

Administration fees

The administrator, Legis Fund Services Limited, was entitled to receive a fixed fee of £60,000 per annum, monthly in arrears, for administration of the Group, commencing in July 2012, as set out in the Administration Agreement. With effect from October 2013, upon the addition of Praetorian ZDP Limited to the Group, the fixed fee increased to £67,000 per annum, with an additional £2,500 fee being charged for the set up of Praetorian ZDP Limited. The total charge to the Consolidated Statement of Comprehensive Income was £67,650 (2013:£50,565) of which £15,000 was outstanding at the end of the year (2013:£11,747).

Custodian fees

The custodian, ABN AMRO (Guernsey) Limited, is entitled to receive a fee from the Group at the rate of 0.08 per cent. of the Net Asset Value of Praetorian Portfolio Holdings L.P, payable monthly in arrears commencing 26 June 2012, as set out in the Custodian Agreement. The total charge to the Consolidated Statement of Comprehensive Income was £9,830 (2013:£12,500), of which £2,238 was outstanding at the end of the year (2013:£ 1,200).

Corporate broker fees

On 4 July 2012 Ocean Equities Limited was appointed to act as the Company's Broker. During the year Ocean Equities Limited changed its name to Pareto Securities Limited. The Broker was entitled to receive £30,000 per annum calculated from the date of Admission payable quarterly in advance. With effect from 8 July 2013 this fee was reduced to £20,000 per annum. The total charge to the Consolidated Statement of Comprehensive Income was £22,712 (2013: £21,963) of which £4,525 was outstanding at the end of the year (2013: £Nil).

Nominated Adviser Fees

On 24 March 2012 Westhouse Securities Limited was appointed by the Company to act as nominated adviser to the Company for the purpose of the AIM listing. The Company has agreed to pay Westhouse Securities Limited an annual retainer fee of £20,000 calculated from the date of Admission (increasing to £40,000 when the Company's market capitalisation reaches £50 million) payable quarterly in advance. The total charge to the Consolidated Statement of Comprehensive Income was £20,000 (2013: £14,603) of which there was no outstanding amount at the end of the year (2013: £Nil). As disclosed in note 17 the Nominated Adviser to the Company changed to Grant Thornton UK LLP with immediate effect from 9 June 2014.

Registrar fees

The Company is party to an Offshore Registrar Agreement with Computershare Investor Services (Guernsey) Limited (the "Registrar") dated 30 March 2012, pursuant to which the Registrar will provide registration services to the Company which will entail, among other things, the Registrar having responsibility for the transfer of shares, maintenance of the share register and acting as transfer and paying agent. For the provision of such services, the Registrar is entitled to receive an initial set-up fee of £2,000 and a minimum annual fee of £5,500. The total charge to the Consolidated Statement of Comprehensive Income was £9,495 (2013: £5,041) of which there was no amount outstanding at the end of the year (2013: £458).

Performance fee

Praetorian (Special Limited Partner) L.P. ("PSLP") is a special limited partner under the terms of the Limited Partnership Agreement of Praetorian Portfolio Holding L.P. PSLP has been established in order that the Advisory and Execution team may receive interests in any performance incentive fee.

Under the terms of the Limited Partnership Agreement, for any financial year (a "Performance Period"), PSLP is entitled to receive from Praetorian Portfolio Holding L.P. a performance incentive payment equal to 20 per cent. of the aggregate return over the full or pro-rata (in the case of partial realisations) cost of investment (including all pro-rata out-of-pocket costs relating to such investment) received by Praetorian Portfolio Holding L.P. and Praetorian Resources (GP) Limited following the full or partial cash realisation of an investment. The payment of a performance incentive payment is conditional upon the Net Asset Value per Ordinary Share of the Company at the end of the relevant Performance Period (as adjusted, inter alia, to add back the value of any distributions and accrued but unpaid performance incentive payments) being greater than the Net Asset Value per Ordinary Share at Admission or, if a performance incentive payment has previously been paid, the Net Asset Value per Ordinary Share when a performance incentive payment was last paid.

Performance incentive payments shall be distributed within 20 business days of completion of the audit for the relevant Performance Period. No such fee is payable for the current year (2013:£Nil).

6. OTHER EXPENSES

	2014	2013
	£	£
Legal and professional fees	36,265	45,086
Nomad fees (note 5)	20,000	14,603
Insurance premiums	11,255	10,135
Listing fees	7,456	5,754
Sundry expenses	35,648	16,845
	110,624	92,423

7. TAXATION

The Company has been granted exemption from Guernsey taxation and is charged an annual exemption fee of £600. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption from Guernsey tax.

8. DEFICIT PER SHARE

Basic and diluted deficit per ordinary share	**2014**	**2013**
	£	£
Loss for the year / period	(5,667,646)	(8,549,735)
Weighted average number of Ordinary Shares in issue	49,137,769	48,625,982
Deficit Per Share (pence)	(11.53)	(17.58)

The deficit per share is based on the Group loss for the year and on the weighted average number of Ordinary Shares in issue for the year.

The Group's subscription shares (note 10) and the warrants, (note 14) could potentially dilute the earnings per share in the future.

Subsequent to the year end there have been share issues and buybacks as detailed in note 17.

9. DIVIDENDS

No dividend was declared or paid in respect of the year (2013:£Nil).

10. SHARES ISSUED

	Number of warrants	Number of Subscription Shares	Number of Ordinary Shares in issue	Number of Ordinary Shares in treasury	£
Authorised :					
Unlimited number of shares of no par value	-	-	-	-	-
Allotted, called up and fully paid:					
As at 01 April 2013	-	23,205,443	50,093,901	-	24,677,901
Share buyback	-	-	(1,000,000)	1,000,000	(310,000)
Share buyback transaction costs	-	-	-	-	(655)
Subscription shares converted to Ordinary shares	-	(50)	50	-	35
Warrants issued (note 11)	7,263,922	-	-	-	72,454
As at 31 March 2014	7,263,922	23,205,393	49,093,951	1,000,000	24,439,735
As at 22 February 2012	-	-	-	-	-
Shares issued	-	23,205,443	50,093,901	-	25,231,101
Share issue cost	-	-	-	-	(553,200)
As at 31 March 2013	-	23,205,443	50,093,901	-	24,677,901

Each Subscription Share confers the right (but not the obligation) to subscribe for one new Ordinary Share upon exercise of the Subscription Rights and on payment of the Subscription Price of £0.70. The Subscription Shares lapse on 31 July 2015.

On 16 April 2013 the Company announced an on market share buy back of 1,000,000 ordinary shares at a price of 31 pence each. These buy back shares will be held in the Company as Treasury shares, and while held as such carry no voting rights. The Directors only intend to purchase Ordinary Shares where they believe such purchases will result in an increase in the NAV per Ordinary Share and will assist in narrowing any discount to the NAV per Ordinary Share at which the Ordinary Shares may be trading. When Ordinary Shares trade at a substantial discount to the NAV per Ordinary Share and do not coincide with trading volumes in the market, the Directors may feel that it is appropriate to make such purchases. Please refer to note 17 for details of a further share buy back subsequent to the year end.

During the year a total of 50 ordinary shares were issued pursuant to a conversion notice received from holders of 50 Subscription Shares of the Company.

10. SHARES ISSUED (continued)

Pursuant to the Companies (Guernsey) Law, 2008 (as amended), all reserves (including share capital) can be designated as distributable. However, in accordance with the Admission Document, the Company shall not, except with the sanction of an extraordinary resolution of the Subscription Shareholders, make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares or issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares.

11. LOAN

The Company announced on 30 October 2013 that it had entered into a funding agreement (the 'Agreement') with Damille Investments II Limited ('Damille') to raise £1,500,000. The Agreement has been entered into by a new wholly owned subsidiary of the Company, Praetorian ZDP Limited ('Praetorian ZDP'). Praetorian ZDP is a special purpose vehicle, incorporated on 25 October 2013, for the sole purpose of entering into the Agreement.

Under the Agreement, Praetorian ZDP issued 1,500,000 unlisted, zero dividend preference shares (the 'Shares') to Damille for a consideration of £1,500,000 (the 'Subscription Price'). The Shares carry an annually compounded coupon of 11% and have a maximum three year term from the date of signing the Agreement. The Company agreed to pay Damille a facility fee of 2% of the Subscription Price. Praetorian ZDP has the right to redeem the Shares prior to the end of the three year term by giving Damille no less than 30 days written notice; by repaying the accrued capital entitlement per ZDP Share ("Capital") plus the accrued compounded coupon to that redemption date and by paying a redemption fee equating to 5% of the sum of the Capital and accrued compounded coupon at the date of redemption. If the shares were to be redeemed as at year end the Group would be required to pay a redemption fee of £78,458.

The Company has undertaken to maintain a net asset value coverage of 4.5 times the Subscription Price plus the compounded coupon due for the full three year term (the 'Cover Test'). If the Cover Test is not satisfied as at the date of two consecutive quarterly net asset value publications, the Company will place into escrow 50% of any asset realisations until such time that the Cover Test is once again satisfied, at which point all escrowed funds will be returned to the Company. At no point during the year, or to the date of signing these Consolidated Financial Statements, has the Company failed the Cover Test.

As part of the Agreement, the Company issued 7,263,922 unlisted warrants to Damille with an exercise price of £0.2065 per warrant (to subscribe for Ordinary Shares in the Company on a 1:1 basis). The warrants are exercisable immediately and for a period of three years from the date of the Agreement. The £1.5m proceeds have been allocated between the loan and the warrants using a Black Scholes model and this was the basis of the cost prescribed to the warrants at the date of their issue. Given the warrants are not material no further disclosure regading the inputs have been provided here.

Damille also has the right to appoint one director to the board of both the Company and Praetorian ZDP so long as they continue to hold 75% of the Shares (excluding any Praetorian ZDP Shares redeemed by the Company).

	31/03/2014
	£
Subscription price	1,500,000
Less issue costs	
Facility fee paid	(30,000)
Cost of warrants issued	(72,454)
Amortisation of issue costs	14,302
Accrued interest	69,164
	1,481,012

12. TRADE AND OTHER PAYABLES

	31/03/2014	**31/03/2013**
	£	**£**
Consultancy fees - advisory and execution team *	125,000	-
Directors fees *	40,000	-
Administration fees	15,000	11,747
Audit fees	25,000	15,500
Sundry accruals	10,513	1,658
	215,513	28,905

* - As detailed in note 13 these amounts continue to accrue, however payment has been agreed to be deferred until further notice.

13. RELATED PARTIES

During the year Richard Lockwood and Mark Hohnen were directors and shareholders of the Company. Malcolm Burne is a shareholder and was a Director of the Company until 27 June 2013. Andrew Ferguson, who was a Director of the Company until 27 June 2013, is the executive director and chief executive officer of APAC Resources Limited who are shareholders of the Company. Charles Cannon-Brookes is an investment manager and shareholder of the Company.

13. RELATED PARTIES (continued)

Directors were entitled to the following remuneration during the year;

	Charge for year to **31/03/2014**	Charge for period to **31/03/2013**	Outstanding at year end **31/03/2014**	Outstanding at period end **31/03/2013**
	£	**£**	**£**	**£**
Robert King *(Chairman)*	20,000	15,000	-	-
Richard Lockwood	20,000	15,000	*20,000	-
Mark Hohnen	20,000	15,000	*20,000	-
Malcolm Burne - resigned 28 June 2013	4,835	15,000	-	-
Andrew Ferguson - resigned 28 June 2013	4,835	15,000	-	-
	69,670	75,000	40,000	-

* - As disclosed in the 2013 Annual Report, with effect from 30 June 2013 all Directors have either deferred or waived some, or all, of their fees. These fees continue to be accrued, with total payments of £29,670 regarding Company Directors fees having been made during the year, with the fees of Richard Lockwood and Mark Hohnen being deferred until further notice.

Directors were also reimbursed for £5,719 (2013: £Nil) of expenses incurred on business on behalf of the Group.

Directors' fees of £7,500 (2013: £7,615) in relation to Praetorian Resources (GP) Limited have been paid to Brian O'Mahoney, who is also a director of the Administrator of which £3,750 is outstanding at year end (2013: £Nil). Robert King has waived his entitlement to a fee in relation to Praetorian Resources (GP) Limited with effect from 1 April 2013 (2013: £7,615).

The related parties' interests in the share capital of the Company as at 31 March 2014 are as follows:	% of voting rights	Number of ordinary shares	Number of subscription shares
Directors			
Richard Lockwood *1	7.07	3,471,000	1,735,500
Mark Hohnen	4.07	2,000,000	1,000,000
Advisory and Execution Team			
Charles Cannon-Brookes *2	1.86	915,400	445,200
Malcolm Burne *3	2.84	1,395,228	683,864

*1 - £535,000 transferred by way of shares at fair value on admission
*2 - £158,250 transferred by way of shares at fair value on admission
*3 - £280,114 transferred by way of shares at fair value on admission

Charles Cannon-Brookes is the Investment Director of Arlington Group Asset Management Limited, who provide administration and support services and whose fees are disclosed in note 5.

Please also refer to note 17 regarding post year end transactions which impact the percentage of voting rights disclosed above.

Praetorian (Special Limited Partner) L.P. ("PSLP") is a special limited partner under the terms of the Limited Partnership Agreement of Praetorian Portfolio Holding L.P. PSLP has been established in order that the Advisory and Execution team may receive interests in any performance incentive fee. The basis of the performance incentive fee is laid out in note 5 above. No such fee was payable during the year (2013: £Nil).

The Company has also entered into service agreements with the Advisory and Execution team, via Arlington Group Asset Management Limited, to provide investment advice for the Board to consider, and general investment assistance to the Board as and when requested. The members of the Advisory and Execution team are entitled to receive fees monthly in arrears as per below.

	Entitlement per annum		Charge for year to **31/03/2014**	Charge for period to **31/03/2013**	Outstanding at year end **31/03/2014**	Outstanding at period end **31/03/2013**
			£	**£**	**£**	**£**
Richard Lockwood	30,000		30,000	22,500	* 30,000	-
Malcolm Burne	50,000	#	45,000	22,500	* 45,000	-
Charles Cannon-Brookes	50,000		50,000	37,500	* 50,000	-
			125,000	82,500	125,000	-

* - As disclosed in the 2013 Annual Report with effect from 1 April 2013 all such fees have been deferred until further notice. These fees continue to be accrued but no cash payments have been made during the year.

- Prior to his resignation from the Board of Directors on 27 June 2013 Malcolm Burne was entitled to £30,000 per annum for his role on the Advisory and Execution team. Upon his resignation from the Board his entitlement to such fees increased to £50,000 per annum.

Further consultancy fees totalling £9,000 were paid to non related parties during the year (2013 : £18,000).

The Directors are not aware of any ultimate controlling party.

14. NET ASSET VALUE PER SHARE

	31/03/2014	31/03/2013
	£	£
Net asset value attributable to Ordinary Shares per consolidated financial statements	10,222,354	16,128,166
Adjustment		
Amendment of accruals	42,448	-
Net asset value per valuation report	10,264,802	16,128,166
Shares in issue at year /period end	49,093,951	50,093,901

The Treasury shares in issue have not been included in the NAV per share calculation for the financial statements, but have been included in the NAV announcement.

NAV per share - consolidated financial statements	0.2082	0.3220
NAV per share - unaudited NAV announcement	0.2049	0.3220

15. FINANCIAL RISK MANAGEMENT

The Group's investing activities expose it to various types of risk that are associated with the investee companies in which it invests. The most important types of financial risk to which the Group is exposed are market risk, liquidity risk and credit risk. Market risk includes price risk, foreign currency risk and interest rate risk. The Board of Directors has overall responsibility for risk management and the policies adopted to minimise potential adverse effects on the Group's financial performance.

The policies and processes for measuring and mitigating each of the main risks are described below.

Market Risk

Market price risk

Market price risk is the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movements. As the Group's investments are carried at fair value with changes recognised in the Consolidated Statement of Comprehensive Income, all changes in market conditions ultimately affect net assets.

The Group invests in only one sector, natural resources companies. The Group's financial assets are exposed to market price fluctuations which are monitored by the Advisory and Execution Team in pursuance of the Company's investment objectives and policies, and reported to the Board on a regular basis. Adherence to investment guidelines and to investment powers set out in the AIM Admission document mitigates the risk of excessive exposure to any particular type of security or issuer. However, with respect to the investment strategy utilised by the Group there is always some, and occasionally some significant, degree of market risk.

If the investment portfolio valuation moved by 15 per cent in either direction at 31 March 2014, representing the Directors' assessment of a reasonably possible change, the impact on the loss for the year and the net asset value would have been £1.6 million (2013: £1.5 million). This calculation is based on the portfolio valuation at the balance sheet date, is not representative of the year as a whole, may not be reflective of future market conditions and assumes that all other factors remain constant.

As stated in the Company's investment policy, in order to avoid excessive portfolio concentration the Group will generally hold no more than 20% of its Net Asset Value in any single portfolio company at the time of investment. However the current strategy of the Group, as discussed in the Chairman's Report, is to concentrate the portfolio on six key positions where the Group can support and assist in management. As at the year end these key positions constitute 82% (2013: 68%) of the NAV of the Group. The portfolio concentration can be analysed as follows:

As at 31 March 2014	Listed	Unlisted	Total
	£	£	£
Investments over 20% of year end NAV	3,564,600	-	3,564,600
Investments between 10% and 20% of year end NAV	3,320,405	-	3,320,405
Other smaller investments	3,015,812	912,815	3,928,627
	9,900,817	912,815	10,813,632

As at 31 March 2013	Listed	Unlisted	Total
	£	£	£
Investments over 20% of period end NAV	-	-	-
Investments between 10% and 20% of year end NAV	9,900,626	-	9,900,626
Other smaller investments	5,022,945	402,272	5,425,217
	14,923,571	402,272	15,325,843

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The presentation currency of the Company is Sterling. The Group's financial assets are currently denominated in various currencies other than Sterling and the Group may hold other financial instruments, the price of which may be determined with reference to currencies other than Sterling.

15. FINANCIAL RISK MANAGEMENT (continued)

Currency risk (continued)

To the extent that these financial instruments are unhedged, or are not adequately hedged, the value of the Group's financial instruments may fluctuate with exchange rates as well as with price changes in various local markets and currencies. The value of the financial assets may therefore be affected unfavourably by fluctuations in currency rates and exchange control regulations. The Group has the ability to manage exposure to currency movements by using hedging instruments. However as the main exposures to foreign currencies are felt to be with generally stable currencies, Australian, Canadian and US Dollars, no such hedging has been entered into.

The carrying amount of the Group's foreign currency denominated assets at the date of the Consolidated Statement of Financial Position was as follows:

	Listed Investments	Unlisted Investments	Cash	Other net assets
As at 31 March 2014	**£**	**£**	**£**	**£**
Australian Dollar (AUD)	1,872,703	-	256	-
Canadian Dollar (CAD)	4,791,364	593,660	102,272	-
United States Dollar (USD)	-	319,155	-	-
	6,664,067	912,815	102,528	-
As at 31 March 2013				
Australian Dollar (AUD)	5,704,001	-	679,018	-
Canadian Dollar (CAD)	4,705,867	-	-	-
United States Dollar (USD)	-	343,772	45,958	-
	10,409,868	343,772	724,976	-

The following table details the Group's sensitivity to a 10% (2013: 5%) increase or decrease in Sterling against the relevant foreign currencies, representing the Directors' assessment of a reasonably possible change. The sensitivity analysis includes only outstanding foreign currency denominated financial assets and financial liabilities and adjusts their translation at the year end for a change in foreign currency rates. A positive number indicates an increase in net assets attributable to holders of Ordinary Shares where Sterling weakens against the relevant currency and a negative number indicates a decrease in net assets where Sterling strengthens against the relevant currency.

Increase in FX rate	Listed Investments **31/03/2014**	Unlisted Investments **31/03/2014**	Cash **31/03/2014**	Listed Investments **31/03/2013**	Unlisted Investments **31/03/2013**	Cash **31/03/2013**
	£	**£**	**£**	**£**	**£**	**£**
Australian Dollar (AUD)	(170,246)	-	(23)	(271,618)	-	(32,334)
Canadian Dollar (CAD)	(435,579)	(53,969)	(9,298)	(224,089)	-	-
United States Dollar (USD)	-	(29,022)	-	-	(16,370)	(2,188)

Decrease in FX rate	Listed Investments **31/03/2014**	Unlisted Investments **31/03/2014**	Cash **31/03/2014**	Listed Investments **31/03/2013**	Unlisted Investments **31/03/2013**	Cash **31/03/2013**
	£	**£**	**£**	**£**	**£**	**£**
Australian Dollar (AUD)	208,078	-	29	300,212	-	35,738
Canadian Dollar (CAD)	532,374	65,962	11,363	247,677	-	-
United States Dollar (USD)	-	35,452	-	-	18,094	2,420

Interest rate risk

The interest rate profile of the Group's financial assets and liabilities as at the Consolidated Statement of Financial Position date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Fixed rate financial liabilities
	£	**£**	**£**	**£**
As at 31 March 2014	1,044,814	-	108,615	1,481,012
As at 31 March 2013	826,052	-	-	-

15. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

The Group finances its operations through Shareholders' capital, loans and reserves. During the year the Group received only minimal interest on its cash and cash equivalents, £1,163 (2013: £8,510). It also accrued interest income of £1,179 in relation to fixed interest accrued on an investment acquired during the year The Company has accrued £69,164 of interest on the loan, described in note 11, which was drawndown during the year. This is accrued at a fixed rate of interest of 11% over the term of the loan. Where the interest rates are fixed the risk is mitigated as the Groups cashflows are not subject to fluctuation. All other assets and liabilities of the Group are non-interest bearing.

At 31 March 2014 cash and cash equivalents of £1,044,814 (2013: £826,052) were potentially exposed to movements in interest rates. At the current time any movement in interest rates would not have a material financial impact on the Group. Therefore, the Group does not hedge against the interest rate risk to which it is exposed.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments.

The Group maintains sufficient cash and readily realisable securities to pay accounts payable and accrued expenses as they fall due. The Group's overall liquidity risks are monitored on a quarterly basis by the Board.

Whilst most of the Group's financial assets are listed securities which are considered readily realisable as they are listed on major recognised stock exchanges, some of the financial assets held by the Group are currently not listed on recognised stock exchanges and may not be readily realisable and their marketability may be restricted.

Currently the value of the unlisted investments which the Board considers may have the potential to be illiquid totals £912,815 (2013: £402,272) from a total value of investments of £10,813,632 (2013: £15,325,843). The Company might only be able to liquidate these positions at disadvantageous prices, should the Board determine, or it become necessary, to do so.

The contractual, undiscounted cash flows of the Group's current liabilities, which are equal to the fair value of the Group's current liabilities, consist of trade and other payables, are all payable within three months and total £215,513 (2013:£28,905). However within the payable balance are amounts totalling £165,000 in relation to consultancy and directors' fees which are being accrued but with payment being deferred until further notice. It is not anticipated that these amounts will be settled in the near future, until such time as the Company has sufficient excess operating cash to do so, but they continue to be carried as current liabilities as their settlement date is uncertain.

The following illustrates the maturity analysis of the Group's undiscounted contractual cash flows for liabilities.

	Due < 3 months	Due 3-12 months	Due > 12 months	Due within 1 - 5 years	Total
As at 31 March 2014	**£**	**£**	**£**	**£**	**£**
Loan	-	-	-	2,051,447	2,051,447
Trade and other payables *	215,513	-	-	-	215,513
Total	215,513	-	-	2,051,447	2,266,960

* Includes £150,000 of fees accrued but for which payment is deferred until further notice.

As at 31 March 2013					
Trade and other payables	28,905	-	-	-	28,905

Given that the operating costs of the Group are generally known, contractually fixed costs, the Board is of the opinion that the Group is not exposed to any undue liquidity risk.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. It is the opinion of the Board of Directors that the carrying amounts of financial assets best represent the maximum credit risk exposure at the financial reporting date.

At the financial reporting date the only financial assets which are subject to credit risk are cash and cash equivalents totalling £1,044,814 (2013: £826,052).

All of the cash and cash equivalents held by the Group are with ABN AMRO (Guernsey) Limited ("ABN"), part of the ABN AMRO group. Insolvency of ABN may cause the Group's rights with respect to the cash and cash equivalents held by ABN to be delayed or limited. The Group monitors this risk by reviewing the credit rating of ABN at the time of setting up accounts and on an ad hoc basis. Moody's bank financial strength rating for ABN AMRO is A2 as at the date of signing these Consolidated Financial Statements. The Board considers that the risk of holding cash and cash equivalents with ABN is acceptable.

As at 31 March 2014 there were no financial assets which were past due or impaired (2013: £Nil).

15. FINANCIAL RISK MANAGEMENT (continued)

Capital management

The Company manages its capital with the objective of being able to continue as a going concern while maximising the return to shareholders through the capital appreciation of its investments. The capital structure of the Company consists of equity and a loan as disclosed in the Consolidated Statement of Financial Position.

As stated in the 2013 Annual Report it was the Directors' view that the Company remained under capitalised in the attractively priced environment and that by procuring additional finance to scale up its contrarian investment activities that this would best serve the interests of existing shareholders.

It is stated within the Company's Articles that the Company may borrow money. During the year, in line with the views noted above, the Board has deemed that such action would allow them to actively continue to pursue the Group's investment objectives and as such was in the best interest of the shareholders for the Company to enter into a loan agreement to allow continued investment activity.

Ordinary Shares held in treasury will not be reissued at a price less than the latest published NAV. Subject to and in accordance with Guernsey Company law, the Company holds such shares as Treasury shares provided that the number of shares held as Treasury shares shall not at any time exceed any limits set out in such law.

16. CONTINGENT LIABILITIES

At 31 March 2014 there were no contingent liabilities (2013: Nil).

17. EVENTS AFTER THE FINANCIAL REPORTING DATE

The Directors believe that it is prudent and beneficial to all shareholders to reduce the Company's cash commitments and to reduce the level of cash outflows wherever possible. As such it was agreed by the Board on 24 April 2014 that AGAM's service agreement be cancelled with immediate effect.

The contract had a fixed five year term from the date of the AIM admission and therefore had an expiry date of 9 July 2017. It was agreed that the monetary value of the remaining life of the contract, £483,945, be settled in full by a non-cash consideration of 2,400,000 newly issued Ordinary Shares in the Company and a termination fee of £40,000 paid in cash. These new shares became listed on AIM with effect from 1 May 2014. Upon cancellation of this contract the functions previously undertaken by AGAM will now be performed by the Advisory and Execution team in conjunction with the Board.

Both Richard Lockwood and Charles Cannon-Brookes own more than 20% of AGAM. As a consequence AGAM's interest in the Company is aggregated with each of their holdings under the AIM definition of directors' family. Their resulting holdings as a percentage of voting rights in the Company are as follows.

	% of voting rights
Richard Lockwood	11.40
Charles Cannon-Brookes	6.44

On 6 May 2014 the Company announced that it has completed the on-market buy-back of an aggregate of 7,858,015 Ordinary Shares at a price of 8 pence per Ordinary Share. These shares, along with the 1,000,000 Ordinary Shares held by the Company in treasury at year end, will be cancelled. The Company's issued Ordinary share capital post the cancellation is 43,635,936 Ordinary Shares.

On 9 June 2014 the Company announced that Mark Hohnen and Richard Lockwood had stepped down from the Board, and that Kaare Foy and Nathan Steinberg had been appointed to the Board, with immediate effect.

Richard Lockwood will retain his position as an advisor to the Company as part of the Advisory and Execution Team.

Also on 9 June 2014 the Company announced the appointment of Grant Thornton UK LLP ("Grant Thornton") as the Company's nominated adviser with immediate effect. Grant Thornton will be entitled to an annual fee of £20,000, payable quarterly in advance and an initial commencement fee of £2,500.

DIRECTORS, SECRETARY AND ADVISERS

Directors
Robert King (Chairman)
Kaare Foy
Nathan Steinberg

Advisory & Execution Team
Richard Lockwood
Malcolm Burne
Charles Cannon-Brookes

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GY1 1WD

PRAETORIAN RESOURCES LIMITED

Registered Office Address: 11 New Street, St. Peter Port, Guernsey, GY1 2PF
Registration Number: 54697

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Second Annual General Meeting of Praetorian Resources Limited (the "Company") will be held at Legis House, 11 New Street, St Peter Port, Guernsey on 20 August 2014 at 11:00 BST to transact the business set out in the following Ordinary Resolutions.

1. To receive the Annual Report and Audited Consolidated Financial Statements for the year ended 31 March 2014.

2. To re-appoint BDO Limited as Auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.

3. To authorise the Directors of the Company to determine the remuneration of the Auditor.

4. To re-elect Mr Nathan Steinberg as a Director in accordance with 18.3 in the Articles of Association of the Company.

5. To re-elect Mr Kaare Foy as a Director in accordance with 18.3 in the Articles of Association of the Company.

6. To renew the Buy Back Facility.

By Order of the Board

Legis Fund Services Limited
Secretary
Legis House, 11 New Street,
St. Peter Port, Guernsey, GY1 2PF

26 June 2014

NOTES

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude members from attending or voting at the meeting, if they so wish. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited at the UK office of the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time for holding the Meeting.

3. CREST members may utilise the CREST proxy appointment service by following the directions set out on the form of proxy. Completion and return of the form of proxy will not prevent a Shareholder from subsequently attending the meeting and voting in person if he so wishes.

4. A holder of Shares must first have his or her name entered on the register of members not later than close of business on 18 August 2014. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting.

5. In accordance with the Company's Articles of Incorporation, holders of Subscription Shares are not entitled to attend, speak or vote at this general meeting, and accordingly this notice is provided to those holders for information purposes only,