

Praetorian Resources Limited

Interim Report and Unaudited Condensed Consolidated Financial Statements

for the period 1 April 2013 to 30 September 2013

Praetorian Resources Limited

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Praetorian Resources Limited

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"). The Company was incorporated on 22 February 2012 and dealings on AIM commenced on 9 July 2012.

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 we may also apply an active and hands-on approach where necessary to generate value.

Praetorian Resources Limited

Chairman's Report

Dear Shareholder

Since our last statement to shareholders the junior resources market has failed to make up lost ground with the sector stubbornly refusing to respond to positive news. This continued negative environment has had a major impact on the net assets attributable to the Company's ordinary shares, which as at 30 September 2013 was £10,358,152 providing a Net Asset Value per Share of 21 pence.

In spite of an improving economic backcloth, junior resources companies continue to face extremely challenging conditions and are struggling to get any attention from the investment community. Volatile commodity prices and a prolonged funding drought are the critical drivers to poor sentiment in the sector. It is unlikely that the deterioration in market conditions can last for very much longer and we would expect a marginal improvement in share prices in the coming months. In order to position the Company to take any advantage of any upturn in the sector's fortunes, the management team continues to concentrate the portfolio on six key positions where they take a hands-on approach to building shareholder funds.

These six key positions equate to approximately 75% of the net asset value and we provide further details of these positions below.

Maya Gold and Silver is quoted on the TSX Venture Exchange and has a market capitalisation of approximately C\$29m. 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. During 2013, Maya also acquired an 85% stake in the significant Boumadine polymetallic deposit, winning the tender for this property against stiff opposition. With the short term prospect of material cash flow from Zgounder along with the further development of Boumadine, 2014 will be a pivotal year for Maya.

Polar Star Mining Corporation is a main board TSX listed Chilean copper / gold exploration and development company with a market capitalisation of approximately C\$30m. The company's strategy is to develop its numerous Chilean assets via joint ventures and partnerships to allow it to benefit from any exploration success without having to overly dilute its equity to fund operations. Polar Star is hopeful for a positive 2014 with extensive drilling campaigns planned by BHP and other joint venture partners on the companies assets.

Galileo Resources plc is quoted on the AIM market and has a market capitalisation of approximately £10m. Earlier this year the company announced the results of the preliminary economic assessment (PEA) of its Glenover phosphate / rare earth asset in South Africa with an indicated IRR of 34.5% and NPV of USD 512m. We feel 2014 will be a year where Galileo explores ways for further optimising the results of the Glenover PEA while also looking at other opportunities to generate market interest until sentiment improves in the rare earth market.

A Cap Resources Limited is quoted on the Australian Stock Exchange and has a market capitalisation of approximately A\$12m. The company is attempting to become Botswana's leading energy company through the development of its uranium and coal assets. In June 2013, A-Cap announced a major upgrade to its JORC compliant uranium resource and is currently undertaking a pre-feasibility study with production targeted for 2016 at what will be Botswana's first uranium mine. Both its uranium and coal assets are substantial in size and the company is looking for sensible joint venture partners to assist with the development of these strategic assets.

Equatorial Palm Oil plc is quoted on the AIM market and has a market capitalisation of approximately £18m. The company is in the process of developing its three Liberian Palm Oil assets which total 169,000 hectares. The assets are held within a 50/50 Liberian joint venture company that the company co-owns with the Malaysian Palm Oil major Kuala Lumpur Kepong Bhd (KLK). Management hopes that 2014 will see the rapid development of the most advanced of its three assets, the 34,000 hectare Palm Bay Estate, located near the operating deep water port of Buchanan. Equatorial Palm Oil plc is currently subject to a mandatory takeover offer, from a wholly owned subsidiary of KLK, at 5 pence per ordinary share.

Praetorian Resources Limited

Chairman's Report (continued)

Besra Gold Inc is quoted on both the Toronto Stock Exchange and Australian Stock Exchange and has a current market capitalisation of approximately C\$13m. Besra is a pan-Asian gold company with two production assets in Vietnam and a significant development asset in Malaysia (currently 3.3m oz resource @ 1.44 g/t all within 100m from surface). Besra's management recently released the results of the definitive feasibility study for its flagship Bau asset with 2014 being the year where the company clarifies the development timetable for Bau as well as the required funding strategy.

Praetorian, like many investment companies in the sector, remains under-capitalised to take full advantage of the recovery prospects, thereby focusing the Boards efforts in raising additional finance. As you will have seen in our announcement in October 2013 an additional £1,500,000 was raised and the directors will continue to look for new capital in order to take the Company forward.

Your directors remain both optimistic and realistic about the future and we are expecting this notoriously cyclical sector to swing into the upside again in the not too distant future. In the meantime we are focused on working with our investee management teams to ensure the best possible returns for our Shareholders. This is taking considerably longer than we initially anticipated and we would like to thank all shareholders for their patience and continued support.

Robert King - Chairman
December 2013

Praetorian Resources Limited

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.

Richard Lockwood

Richard was until recently the senior resource fund manager at CQS Asset Management Limited having merged his New City Investment Management group with CQS in 2007. Prior to that, he was a senior fund manager at Invesco and a partner at Hoare Govett with responsibility for the mining department. He has held fund management positions at New City High Yield Fund Limited, City Merchants High Yield Trust Plc, City Natural Resources High Yield Trust plc and Geiger Counter Limited. Richard has extensive experience in the financial securities markets in the United Kingdom, Australia, and South Africa and a number of his previous funds have achieved long term, top quartile ranked performance.

Mark Hohnen

Mark was until recently the Executive Chairman of Kalahari Minerals plc which held a 43 per cent. shareholding in Extract Resources, the ASX listed uranium company which was focused on developing the Husab Project in Namibia, the world's third largest known primary uranium deposit. Extract Resources was recently sold to a consortium of Chinese institutional investors for US\$2.2 billion. Mark has had extensive international business experience in a wide range of industries including mining, property, fund management, investment, software and agriculture. He has held a number of directorships in both public and private companies and was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as the UK listed royalty business, Anglo Pacific Resources Plc. Mark is currently the Chairman of Wildhorse Energy, the ASX listed Hungarian uranium and UGC company.

Praetorian Resources Limited

Interim Condensed Consolidated Statement of Comprehensive Income

For the period 1 April 2013 to 30 September 2013

	Note	01/04/2013 to 30/09/2013 <i>Unaudited</i> £	* 22/02/2012 to 30/09/2012 <i>Unaudited</i> £
Income			
Net capital loss on financial assets at fair value through profit or loss	3	(5,135,749)	(1,624,691)
Net investment gains and losses		<u>(5,135,749)</u>	<u>(1,624,691)</u>
Expenses			
Directors' fees and expenses	9	(49,139)	(25,000)
Administration fees		(37,144)	(14,516)
Support services administration fees		(82,791)	(45,246)
Audit fees		(10,417)	(16,000)
Custodian fees		(4,636)	(2,829)
Broker fees		(12,747)	(6,963)
Consultancy fees	9	(62,000)	(33,500)
Registrar fees		(6,124)	(1,375)
Other expenses	4	(49,243)	(26,464)
Total expenses		<u>(314,241)</u>	<u>(171,893)</u>
Operating loss		(5,449,990)	(1,796,584)
Finance income		565	3,124
Finance costs		(9,969)	(78,519)
Loss for the financial period		<u>(5,459,394)</u>	<u>(1,871,979)</u>
Other comprehensive income for the period		-	-
Total comprehensive expense for the period		<u>(5,459,394)</u>	<u>(1,871,979)</u>
Basic and diluted deficit per share (pence)		<u>(11.10)</u>	<u>(4.12)</u>

(Based on weighted average number of Ordinary shares of 49,176,334 (2012 : 45,407,173))

* - 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 to 30 September 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 10 to 15 form an integral part of these interim condensed consolidated financial statements.

Praetorian Resources Limited

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2013

		30/09/2013	31/03/2013
		<i>Unaudited</i>	<i>Audited</i>
	Note	£	£
ASSETS			
Non-Current Assets			
Investments at fair value through profit or loss	3	<u>10,364,861</u>	<u>15,325,843</u>
Total non-current assets		10,364,861	15,325,843
Current Assets			
Trade and other receivables		14,511	5,176
Cash and cash equivalents		<u>89,228</u>	<u>826,052</u>
Total current assets		103,739	831,228
Total Assets		<u>10,468,600</u>	<u>16,157,071</u>
EQUITY AND LIABILITIES			
Equity			
Shares issued	7	24,677,936	24,677,901
Treasury shares	7	(310,655)	-
Retained earnings		<u>(14,009,129)</u>	<u>(8,549,735)</u>
Total Equity		10,358,152	16,128,166
Liabilities			
Current Liabilities			
Trade and other payables	8	<u>110,448</u>	<u>28,905</u>
Total current liabilities		110,448	28,905
Total equity and liabilities		<u>10,468,600</u>	<u>16,157,071</u>
Net asset value per Ordinary Share (excluding shares held in Treasury)	10	<u>0.21</u>	<u>0.32</u>

The interim condensed consolidated financial statements on pages 6 to 15 were approved and authorised for issue by the Board of Directors on 12 December 2013 and were signed on its behalf by:

Robert King
Director

Richard Lockwood
Director

The notes on pages 10 to 15 form an integral part of these interim condensed consolidated financial statements.

Praetorian Resources Limited

Interim Condensed Consolidated Statement of Changes in Equity

For the period 1 April 2013 to 30 September 2013

	Share Capital <i>Unaudited</i>	Treasury Shares <i>Unaudited</i>	Retained Earnings <i>Unaudited</i>	Total Equity <i>Unaudited</i>
Notes	£	£	£	£
At 1 April 2013	24,677,901	-	(8,549,735)	16,128,166
Total comprehensive expense for the period	-	-	(5,459,394)	(5,459,394)
	<u>24,677,901</u>	<u>-</u>	<u>(14,009,129)</u>	<u>10,668,772</u>
Transactions with owners				
Shares issued	7 35	-	-	35
Share buybacks	7 -	(310,000)	-	(310,000)
Share transaction costs	-	(655)	-	(655)
Total transactions with owners	<u>35</u>	<u>(310,655)</u>	<u>-</u>	<u>(310,620)</u>
At 30 September 2013	<u>24,677,936</u>	<u>(310,655)</u>	<u>(14,009,129)</u>	<u>10,358,152</u>
As at 22 February 2012	-		-	-
Total comprehensive expense for the period	<u>-</u>		<u>(1,871,979)</u>	<u>(1,871,979)</u>
Transactions with owners				
Shares issued	25,231,101		-	25,231,101
Share issue costs	(549,399)		-	(549,399)
Total transactions with owners	<u>24,681,702</u>		<u>-</u>	<u>24,681,702</u>
At 30 September 2012	<u>24,681,702</u>		<u>(1,871,979)</u>	<u>22,809,723</u>

The notes on pages 10 to 15 form an integral part of these interim condensed consolidated financial statements.

Praetorian Resources Limited

Interim Condensed Consolidated Statement of Cash Flows

For the period 1 April 2013 to 30 September 2013

		01/04/2013 to 30/09/2013	22/02/2012 to 30/09/2012
	Note	£	£
Cash flows from operating activities			
Purchase of investments	3	(739,847)	(6,218,012)
Proceeds from sale of investments	3	565,080	1,542,614
Interest received		565	3,124
Operating expenses paid		(252,002)	(219,293)
Net cash outflow from operating activities		(426,204)	(4,891,567)
Cash flows from financing activities			
Proceeds from issue of shares	7	35	9,322,510
Share buybacks	7	(310,000)	-
Share transaction costs		(655)	(531,315)
Net cash (outflow) / inflow from financing activities		(310,620)	8,791,195
Net change in cash and cash equivalents		(736,824)	3,899,628
Cash and cash equivalents at beginning of period		826,052	-
Cash and cash equivalents at end of period		89,228	3,899,628

The notes on pages 10 to 15 form an integral part of these interim condensed consolidated financial statements.

Praetorian Resources Limited
Notes to the Interim Condensed Consolidated Financial Statements
For the period 1 April 2013 to 30 September 2013

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

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 unaudited condensed consolidated financial statements of the Group ("Interim Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting. The Interim Statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's Annual Report and Consolidated Financial Statements for the period ended 31 March 2013 ("2013 Annual Report"), which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable Guernsey law.

During the period, as disclosed in note 7, the Company bought back some of its own Ordinary Share Capital to be held as Treasury Shares. 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. When 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 Share capital account. Shares held in treasury are excluded from calculations when determining NAV per share as detailed in note 10.

b) New and amended standards and interpretations

The same accounting policies, presentation and methods of computation are followed in these Interim Statements as were followed in the preparation of the 2013 Annual Report, except for the adoption of new standards and interpretations effective as of 1 January 2013 as listed below:

• IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g. foreign exchange differences on translation of subsidiaries' net assets) are now presented separately from items that will never be reclassified (e.g. land revaluation reserve). The amendment affected presentation only and had no impact on the Group's financial position or performance.

• IAS 34 Interim Financial Reporting

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment.

As disclosed in the 2013 Annual Report, for management purposes, the Group is organised into one main operating segment, which invests in natural resources stocks. 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 the financial information. As such the amendments to IAS 34 have no significant impact on these Interim Statements.

• IFRS 13 Fair Value Measurement

IFRS 13 requires disclosure of information that helps users of financial statements assess both of the following:

- For assets and liabilities that are measured at fair value on a recurring (RFVM) or non-recurring (NRFVM) basis in the statement of financial position, the valuation techniques and inputs used to develop those measurements.

- For recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.

The application of this standard has resulted in additional disclosures in the Interim Statements but has had no impact on the results of the Group.

The following standards also became effective from 1 January 2013 but have had no impact on the Interim Statements

IFRS 7	Financial Instruments Disclosures - Offsetting Financial Assets and Financial
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint arrangements
IFRS 12	Disclosures of Interests in Other Entities
IAS 27	Consolidated and Separate Financial Statements - reissued as IAS 27 Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures

Praetorian Resources Limited

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the period 1 April 2013 to 30 September 2013

3. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 September 2013 - Unaudited	Level 1	Level 2	Level 3	Total
	£	£	£	£
Opening Cost	22,132,351	-	1,314,499	23,446,850
Additions at cost - cash	739,847	-	-	739,847
Disposals proceeds	(565,080)	-	-	(565,080)
Net realised loss on disposal of investments	(1,151,754)	-	-	(1,151,754)
Closing portfolio cost	21,155,364	-	1,314,499	22,469,863
Net unrealised (loss) / gain on investments	(11,171,182)	35,600	(969,420)	(12,105,002)
Closing valuation	9,984,182	35,600	345,079	10,364,861
Net unrealised (loss) / gain on investments	(3,962,402)	35,600	(57,193)	(3,983,995)
Net realised loss on disposal of investments	(1,151,754)	-	-	(1,151,754)
Net capital (loss) / gain on fair value of financial assets designated at fair value through profit or loss	(5,114,156)	35,600	(57,193)	(5,135,749)
Investment income	-	-	-	-
Total (losses)/gains on Financial Assets at fair value through profit or loss	(5,114,156)	35,600	(57,193)	(5,135,749)
For the period ended 31 March 2013 - Audited				
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 on which the Group can support and assist in management. As at the period end these key positions constitute 73% (31 March 2013: 68%) of the NAV of the Group.

Fair Value Hierarchy

Financial assets designated at fair value through profit or loss (“financial assets”), are analysed by using a fair value hierarchy that reflects the significance of inputs. The fair value hierarchy has the following levels:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

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

Level 3: Level 3 inputs are unobservable inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs).

For financial instruments that are recognised at fair value on a recurring basis, the Company 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 period.

Praetorian Resources Limited

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the period 1 April 2013 to 30 September 2013

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

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.

IFRS 13 requires quantitative information be provided about significant unobservable inputs used in the fair value measurement for each class of Level 3 asset and liabilities. The following summarises the valuation methods and information about fair value measurements and related significant unobservable inputs, where if changed, could significantly increase or decrease the valuation of an asset.

Fair Value	£345,079
Valuation Method	Discounted NAV at Fair Value
Valuation Source	Underlying Manager
Significant unobservable input	Discount Rate

Sensitivity analysis

The discount rate used in the valuation is in part a measure of the illiquid nature of the investments. The Company 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 increased or decreased by the 34,508 (31 March 2013 : 40,227), being 0.33% (31 March 2013 : 0.25%) of NAV.

4. OTHER EXPENSES

	01/04/2013 to 30/09/2013 Unaudited £	22/02/2012 to 30/09/2012 Unaudited £
Legal and professional fees	7,952	278
Nomad fees	9,981	9,603
Insurance premiums	6,355	3,523
Listing fees	2,849	-
Sundry expenses	22,106	13,060
	<u>49,243</u>	<u>26,464</u>

5. 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.

6. DIVIDENDS

No dividend was declared or paid in respect of the period ended 30 September 2013 (Period ended 30 September 2012 : Nil).

7. SHARES ISSUED

	Number of subscription shares	Number of ordinary Shares in issue	Number of ordinary Shares in treasury	£
<i>Authorised :</i>				
Unlimited number of shares of no par value	-	-	-	-
<i>Allotted, called up and fully paid:</i>				
As at 01 April 2013	23,205,443	50,093,901	-	24,677,901
Share buyback	-	(1,000,000)	1,000,000	(310,000)
Subscription shares converted to Ordinary shares	(50)	50	-	35
Share issue cost	-	-	-	(655)
As at 30 September 2013	<u>23,205,393</u>	<u>49,093,951</u>	<u>1,000,000</u>	<u>24,367,281</u>

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.

The Group's subscription shares could potentially dilute the earnings per share in the future.

Praetorian Resources Limited

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the period 1 April 2013 to 30 September 2013

7. SHARES ISSUED (continued)

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.

During the period a total of 50 ordinary shares were issued pursuant to a conversion notice received from holders of the Company's subscription shares. Subsequently 50 Subscription shares have been cancelled.

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.

8. TRADE AND OTHER PAYABLES

	30/09/2013	31/03/2013
	£	£
Consultancy fees - advisory and execution team	56,000	-
Directors fees	25,000	-
Administration fees	18,886	11,747
Audit fees	7,917	15,500
Sundry accruals	2,645	1,658
	<u>110,448</u>	<u>28,905</u>

9. RELATED PARTIES

During the period 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 28 June 2013. Andrew Ferguson, who was a Director of the Company until 28 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.

Directors were due the following remuneration during the period;

	Charge for period to 30/09/2013	Charge for period to 30/09/2012	Outstanding at period end 30/09/2013	Outstanding at period end 31/03/2013
	£	£	£	£
Robert King (<i>Chairman</i>)	10,000	5,000	5,000	-
Richard Lockwood	10,000	5,000	*10,000	-
Malcolm Burne - resigned 28 June 2013	4,835	5,000	-	-
Andrew Ferguson - resigned 28 June 2013	4,835	5,000	-	-
Mark Hohnen	10,000	5,000	*10,000	-
	<u>39,670</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>

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 £14,670 regarding Company Directors fees having been made during the period.

* - The Directors fees of Richard Lockwood and Mark Hohnen have been deferred until further notice.

Directors were also reimbursed for £5,719 (30 September 2012: £Nil) of expenses incurred on business on behalf of the Group.

Directors' fees of £3,750 (30 September 2012: £3,866) in relation to Praetorian Resources (GP) Limited have been paid to Brian O'Mahoney, who is also a director of the administrator. Robert King has waived his entitlement to a fee with effect from 1 April 2013 (30 September 2012: £3,866).

Praetorian Resources Limited

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the period 1 April 2013 to 30 September 2013

9. RELATED PARTIES (continued)

The related parties' interests as at 30 September 2013, and at the date of signing these financial statements, are as follows:

	% of voting rights	Number of ordinary shares	Number of subscription shares
<i>Directors</i>			
Richard Lockwood *1	7.07	3,471,000	1,735,500
Mark Hohnen	4.07	2,000,000	1,000,000
<i>Execution Team</i>			
Charles Cannon-Brookes *2	1.86	915,400	445,200

*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

Charles Cannon-Brookes is the Investment Director of Arlington Group Asset Management Limited, who provide administration and support services.

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 the AIM admission document and in the 2013 Annual Report. No such fee was payable during the period.

The Company has also entered into service agreements with the Advisory and Execution team to provide investment advice for the Board to consider, and general investment assistance to the Board as and when requested. The Advisory and Execution team are entitled to receive fees monthly in arrears as per below., however 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 period.

	Entitlement per annum	Charge for period to 30/09/2013 £	Charge for period to 30/09/2012 £	Outstanding at period end 30/09/2013 £	Outstanding at period end 31/03/2013 £
Richard Lockwood	30,000	15,000	9,136	* 15,000	-
Malcolm Burne	30,000	15,000	9,136	* 15,000	-
Charles Cannon-Brookes	50,000	25,000	15,228	* 25,000	-

* - 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 period.

Further consultancy fees totalling £7,000 were paid to non related parties during the period (30 September 2012 : £Nil).

The Directors are not aware of any ultimate controlling party.

10. NET ASSET VALUE PER SHARE

Net asset value attributable to Ordinary Shares per consolidated financial statements	£ 10,358,152
<i>Adjustment</i>	
Amendment of accruals	(12,906)
Net asset value per valuation report	<u>10,345,246</u>
Shares in issue at 30 September 2013 - interim consolidated financial statements	49,093,951

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 - interim consolidated financial statements	0.2110
NAV per share - unaudited NAV announcement	0.2065

11. SEASONALITY

There are no seasonal factors which affect the trade of any company in the group.

Praetorian Resources Limited

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the period 1 April 2013 to 30 September 2013

12. EVENTS AFTER THE FINANCIAL REPORTING DATE

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 through a newly incorporated wholly owned subsidiary of the Company, Praetorian ZDP Limited ('Praetorian ZDP'). Praetorian ZDP is a special purpose vehicle incorporated 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 has agreed to pay Damille a facility fee of 2% of the Subscription Price which is due within 14 days of signing the Agreement. 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

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.

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. In addition, Damille 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 ZDP Shares redeemed by the Company).

The newly invested funds will be loaned by Praetorian ZDP to the Company for working capital and investment purposes. The Company board continues to maintain its prudent central cost base and the Company directors and board advisors will continue to defer or maintain their substantially reduced fees until further notice.

Praetorian Resources Limited

DIRECTORS, SECRETARY AND ADVISERS

Directors

Robert Paul King (*Chairman*)
Richard Arthur Lockwood
Mark Ainsworth Hohnen
Malcolm Alec Burne - resigned 27 June 2013
Andrew Charles Ferguson- resigned 27 June 2013

Advisory & Execution Team

Richard Arthur Lockwood
Malcolm Alec Burne
Charles Cannon-Brookes

all of

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Broker

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Registrar and CREST Agent

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