



Stratex

International PLC



Generate
Develop
Grow

Annual Report
2015

Contents

Company Overview

- 02 Who we are
- 03 2015 Highlights
- 04 Our strategy
- 05 Company history
- 06 Where we operate
- 07 Directors' biographies

Operations Review

- 08 Chairman's statement
- 10 Our Projects
- 15 Group Strategic Report

Financial section

- 19 Directors' report
- 21 Independent auditor's report
- 22 Group financial statements
- 26 Parent company financial statements
- 29 Notes to the financial statements

AGM and Advisors

- 54 AGM Notice
- 56 Advisors



Stratex
International PLC

Who we are

Stratex International PLC is an exploration and development company focusing on gold and high-value base metals, with a significant interest in a producing gold mine.

The Company is incorporated and domiciled in the UK. The Company's shares are listed on the AIM market of the London Stock Exchange.

2015 Highlights

The Company entered a new phase in its existence with the start of production at the Altintepe gold mine in Turkey. Stratex has a 45% interest in the operation and did much of the early exploration work at the site. The first gold pour was achieved on 5th November 2015.

Auger drilling at the Homase/Akrokerri site in Ghana has indicated two potentially new zones of mineralisation. Both show immediate promise to host additional bedrock gold mineralisation.

Goldstone Resources Ltd increased its interest in the Homase licence to 90% from 65% by meeting certain contractual hurdles under the original joint venture agreement with the Cherry Hill Mining Company Ltd.

Feasibility study completed at the Muratdere copper-molybdenum-gold project in Turkey by our partner Lodos as part of its commitment to earn into 70% of the project.



Our Strategy

Generate,

- project acquisition
- strategic alliances

Develop,

- move towards production

Grow

- cash flow reinvested

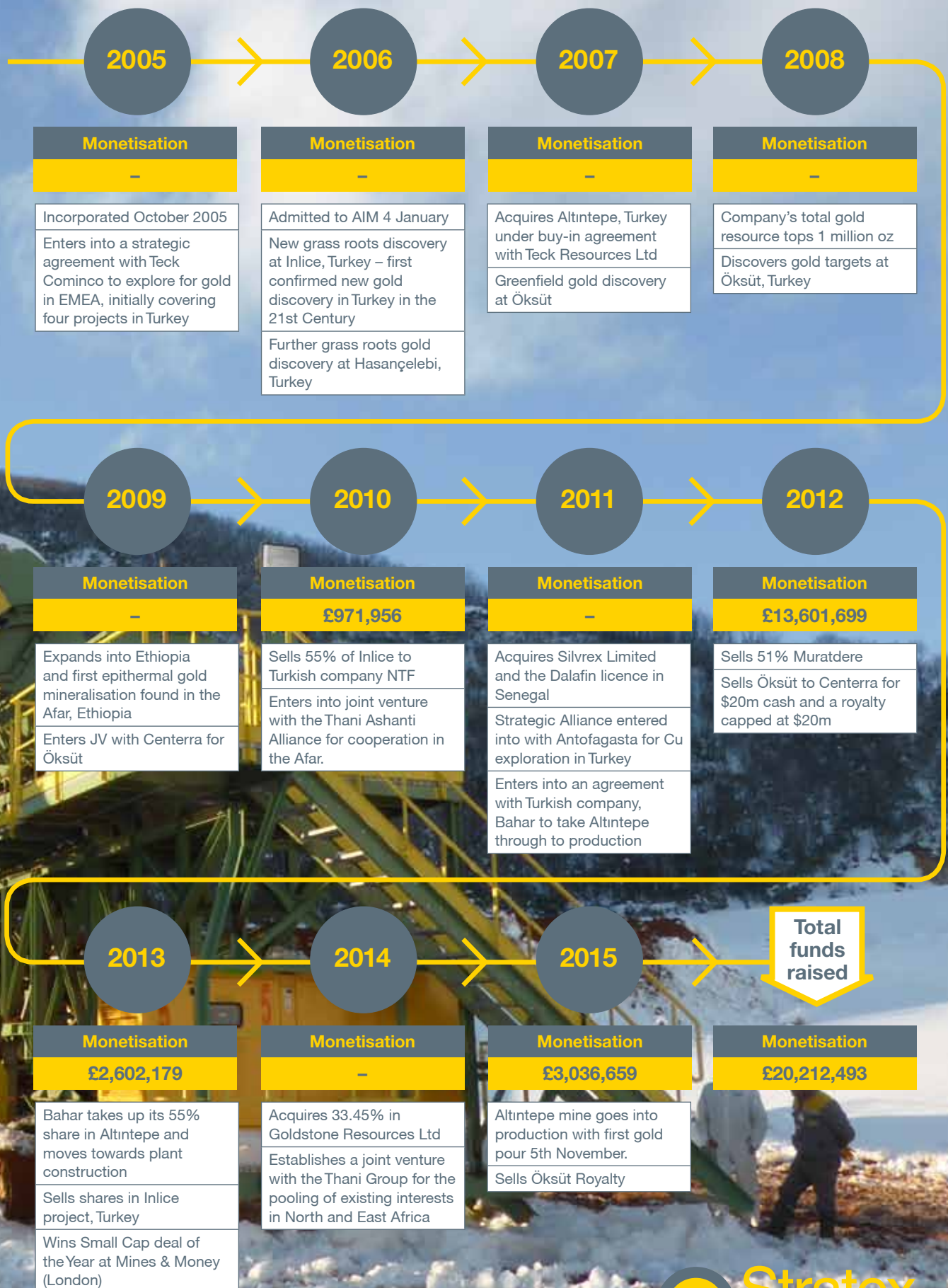
The Board's strategic intent is to maximise shareholder value through the continuing development of a focused portfolio of exploration and development projects at various stages of their development, while at the same time managing the significant risks faced by exploration companies.

Our risk management approach places a clear focus on discovering and exploiting mineral wealth through multiple plays. We are quick to relinquish licences which we believe will be uneconomic in order to save unnecessary cost.

Having confirmed the existence of an economic resource we will either sell the project (e.g. Öksüt) or move forward to production (e.g. Altıntepe).

We will introduce joint-venture partners in certain circumstances to minimise risk, reduce Company costs and to take projects through to production.

Company History



Where we operate



Directors' biographies



Christopher Hall

BSc, MSc, MIMMM, CEng
(age 66)

Non-Executive Chairman

Christopher has over 40 years of wide-ranging experience in the mining sector. He was until recently an in-house mining adviser to Grant Thornton UK LLP. He was CEO of European Mining Finance and has worked for Consolidated Goldfields, Behre Dolbear, Touche Remnant and Messel & Co. Joined Stratex in 2008.



Dr. Bob Foster

BSc, PhD, FIMMM, CEng, FGS, CGeol
(age 67)

Chief Executive Officer

A co-founder of the Company, Bob has particular experience in the genesis of and exploration for gold deposits. He has published numerous scientific and technical papers and has been a keynote speaker at many International conferences. He spent 10 years in the mining industry in Zimbabwe before devoting 15 years lecturing at Southampton University.



Perry Ashwood

FCA
(age 68)

Chief Financial Officer

Perry joined Stratex in 2005 prior to the Company listing on AIM. He trained with Spain Brothers & Co and KPMG in the City of London. After qualifying as a Chartered Accountant he joined British Oxygen Ltd before spending 20 years with Xerox in both technical and operational roles. He later became European Finance Director for Intermec International Inc.



Emma Priestley

BEng, CEng, CRICS
(age 43)

Executive Director

Emma has a background in mining and financial services having worked with mining companies and consultants, IMC Mackay & Schnellmann, investment bank CSFB, advisers VSA Resources, Ambrian Partners, where she worked as a corporate broker and adviser, and most recently as an executive director of Lonrho Plc until its recent successful takeover. Emma is a Chartered Mining Engineer and a Chartered Mineral Surveyor and graduated from the Camborne School of Mines with a BEng in Mineral Surveying and Resource Management.



Christopher Worcester

BSc, MBA Finance
(age 54)

Independent Non-Executive Director

Chris began his City career in 1993 at Barclays de Zoete Wedd, where he worked in the metals and mining project finance team. In 2000, he joined the Royal Bank of Scotland as Director and Head of Financial Modelling and Analysis, leaving in 2002 to join WestLB Capital Markets, the international investment banking division of WestLB, where he established and managed the global metals and mining team until 2007. Since then Chris has been actively involved in securing funding and investment for resource companies through private, specialist corporate finance company Stone Arch Financial and, more recently, Green Road Capital. For more than a decade Chris has lectured regularly on corporate valuation as part of the MSc in Metals and Energy Finance programme at the Imperial College, London. He has a BSc in Chemistry and an MBA in Finance. Chris joined Stratex on 1 February 2016.



Peter Addison

(age 73)

Independent Non-Executive Director

Peter qualified as a solicitor in 1966 and practiced in the City of London, originally with Linklaters & Paines and subsequently with Norton Rose, specialising in company and commercial law. In 1982, he became a director of English Trust, a corporate advisory bank, and for some twenty years was involved in providing corporate finance advice to a wide range of public companies in the UK and Ireland on all aspects of their businesses.



Stratex
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Chairman's statement



“The continuing depressed conditions in the junior mining sector, which have outlasted the expectations of most commentators, are playing into the hands of companies like Stratex. We have an outstanding record of exploration success; an ability to turn that success into cash; an aversion to equity issues to finance overheads; a virtually carried 45% interest in a producing gold mine, and a healthy cash balance.”

Stratex achieved some significant objectives in the year ended 31 December 2015, although the political and economic environment in which the mining industry operates continues to be uninspiring.

Mining share price indices have declined significantly, metal prices are weak, dividends are being cut and global economic growth remains patchy. Add to this the risk of terrorist activity from which no country seems immune and it is no surprise that the attitude of investors towards exploration and mining shares remains cool.

Stratex has made further progress in several key areas. Administration expenses, which include the UK, Turkey and Senegal together with 100% of Goldstone's expenses, which we consolidate, were reduced by almost 20% compared with 2014. Other income of £2.8 million, compared with £190k last year, included the sale proceeds of the Öksüt royalty (US\$4.5 million) whilst the share of losses of associates of £1.37 million (a non cash item) was the result of an impairment write-off in Thani Stratex Resources Ltd. The overall loss for the year was reduced to £638k (2014 loss: £2.5 million) resulting in a year end cash balance of £4.1 million.

Key developments during the year included the completion of a feasibility study by our partners Lodos on the Muratdere copper-gold porphyry project in Turkey and, most pleasingly, the first gold pour at our 45% owned gold mine, Altintepe, in Turkey.



Stratex's Turkish GM holding the first gold doré bar from Altintepe mine.

Management efforts at Altintepe have been focused on overcoming the problems caused by unusually high levels of rainfall, which interfered with the completion of the heap leach pad. Added to the delays brought about by the Turkish permitting regime, we were relieved to see production begin just 12 months later than originally anticipated. Our partners Bahar, who are delivering ore to the crusher under a mining contract, and the Altintepe management, are now concentrating on forward planning to optimise the development of the remaining parts of the resource.

Once ramp-up is completed in the coming weeks it will allow a clear grip on costs and we look forward to updating the market on the technical and economic parameters of the operation. In the meantime, it has to be borne in mind that Stratex's financial investment in the mine to date is comfortably less than US\$2m whereas our partners have financed the entire operation, to the tune of more than US\$40m. We remain confident that we will see a recurrent cash flow in 2016.

The Muratdere feasibility study, completed in March 2015, used a base copper price of \$5,580/t and generated acceptable levels of return. The project is sensitive to the copper price and later in the year we were able to revisit the economics, having reviewed some of the operating parameters using a slightly higher price.

Since that time the price of copper and other metals has weakened and is currently below US\$5,000/t. In order to maintain its 30% interest, Stratex was required to invest further significant sums in project development, detailed engineering, permitting and the operating costs of the joint-venture company. At the present time the projected economics do not meet Stratex's investment criteria and as a result your Board has decided not to follow its investment and has therefore accepted a dilution of its interest to 14.9%. We will continue to assess the supply-demand scenario for copper and may consider supporting future work to prevent further dilution, should we believe that the demand for copper, and hence the price, justifies our participation, bearing in mind that dilution below 10% will lead ultimately to a royalty position under the terms of the agreement. This would be a disappointing development but we would prefer to concentrate on opportunities where we have management control.

In 2012, Stratex sold a 30% residual interest in its 1 million oz Öksüt gold discovery in Turkey to partner Centerra. In addition to a US\$20 million cash payment, we also received the right to a 1% royalty capped at US\$20 million. Since that time Centerra published a feasibility study showing the production profile. With a lower gold price it was clear that we were unlikely to receive the full US\$20 million and that although production was set to commence in 2017, uncertainty remained regarding the start and size of any payments. Your Board decided to sell the royalty, and contacted a number of potential buyers, including Centerra. Various offers were received but in the end the one-off, unconditional cash payment from Centerra was found to be the most acceptable. As a result net proceeds of US\$4.5 million were banked in December.

In common with most junior explorers, Stratex has had to balance the need for meeting work commitments and moving prospects forward, with conservation of limited cash balances. Some positive results were obtained at Dalafin in Senegal and, indirectly, at Homase/Akrokerrri in Ghana and through Thani Stratex Resources in Egypt and Djibouti. Little progress was made by Tembo Gold Corp in Tanzania where the management was concentrating on project maintenance and obtaining support from new investors.

Much management time and effort has been invested in the identification and evaluation of merger and acquisition targets in line with our stated policy thus by-passing or accelerating the traditional exploration process. These were likely to involve “stranded assets” either because they were non-core, apparently uneconomic, or due to lack of finance. It was felt that with a new approach, possibly on a less ambitious scale, and with a strong operating partner, they could be developed economically within two years. We have been in advanced negotiations for the acquisition of several such projects during the year, however, we have so far been unable to close an acquisition on terms which met our investment criteria.

The continuing depressed conditions in the junior mining sector, which have outlasted the expectations of most commentators, are playing into the hands of companies like Stratex. We have an outstanding record of exploration success; an ability to turn that success into cash; an aversion to equity issues to finance overheads; a virtually carried 45% interest in a producing gold mine, and a healthy cash balance.

The quest for more rapid growth by acquisition will continue whilst market conditions favour that strategy and we remain optimistic of success, with a focus on West Africa.

We would like to express our gratitude to John Cole-Baker who retired from the Board on 31 March 2015 but will continue to provide support to the management of our operations in West Africa. On 1 February 2016, Chris Worcester was appointed to the Board as an independent non-executive director, bringing a wealth of corporate finance expertise, enhancing our ability to grow as planned by acquisition.

Since the year end, we have also seen the resignation of the Managing Director of Goldstone. He has been replaced, as interim Chief Executive Officer, by Emma Priestley, a director of Stratex, who will not participate in any discussions regarding Goldstone at Stratex Board meetings. She will continue to work on the strategic review of Goldstone’s assets to find the optimum way forward for the company in this difficult market.



A snow covered Altintepe

Looking forward, the outlook for the industry is far from rosy. Nevertheless Stratex is better placed than many of its peers. We continue to seek to reduce overheads and are making progress with this in Turkey, Senegal and with Goldstone. Production at Altintepe is expected to develop into cash flow and the Board and management are redoubling efforts to find a new project which will increase and diversify our cash flow. These efforts have been reflected in the share price since the turn of the year and we hope that this improved market recognition is set to continue.

Christopher Hall
Non-executive Chairman

Our Projects

The Board believes in multiple plays in order to reduce the many risks involved with exploring for resources and to increase the possibility of finding projects capable of moving to production.

This approach has proved very successful since the Company's formation in 2005 and our successes include:

- **Altintepe:** Stratex did much of the early exploration work at the Altintepe gold mine in Turkey, which is now in production and had its first gold pour on 5th November 2015. Joint-venture partner Bahar is managing the mine and Stratex has retained a 45% interest.
- **Öksüt:** we discovered the Öksüt gold project in 2007, and entered a joint venture with Centerra in 2009 completing a full sale to them in 2012. Öksüt now has a declared gold reserve of 1.2million. A feasibility report was completed in 2015.
- **Muratdere:** a feasibility study has been completed at the Muratdere copper-gold-molybdenum project in Turkey by our partner Lodos, another project evaluated and drill-proved by Stratex.

Currently our flagship exploration projects, actively managed by ourselves, are the **Homase/Akrokerri** gold project in Ghana and the **Dalafin** gold project in Senegal. In addition we have a number of projects under various joint ventures.

Lack of funds and increasing costs have hit the exploration industry very hard in the last couple of years. This has meant curtailing some of our exploration activities in 2015. Most companies in the sector have had to reduce their expenditure on exploration and this has also had an impact on our strategic partners in Turkey. Antofagasta has decided to withdraw from the porphyry copper exploration alliance and work has been suspended on the Central Anatolia Project funded by Centerra.

Work has also been suspended at the 13%-owned Tembo project in Tanzania pending further funding by our partner Tembo Gold Corporation.

On a more positive note, during the year the Company announced a new joint-venture agreement with Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi ('Anadolu') for the continued exploration of the Karaağaç project in Turkey.

Self-managed projects:

Homase/Akrokerri

The Homase Akrokerri project is the flagship project of Goldstone Resources Ltd and Stratex has a significant influence in the management of the company.



Auger drilling at Homase

Stratex injected £1.25m cash into Goldstone in November 2014 in return for a 33.45% shareholder interest with an equal number of warrants, which if exercised, would take Stratex's interest to 50.1%. Both Christopher Hall and Dr Bob Foster are on the board of Goldstone, Christopher Hall as Chairman.

The Homase/Akrokerri project lies within the prospective Ashanti Gold Belt, where more than 70 million ounces of gold have been discovered. This prolific belt also includes AngloGold Ashanti's, 42 million oz, Obuasi Mine and Golden Star's Prestea Mine.

Goldstone holds a 90% interest in the Homase license, while Akrokkeri is 100% Goldstone owned. Geologically, the two permits are located along the same continuous structure and form part of the same geological environment.

Based on historical drill data, as well as Goldstone's own drilling programme completed between 2011 and 2012, a JORC compliant gold resource of 10.6 million tonnes of ore at an average grade of 1.77g/t containing 602,000oz gold has been declared, of which 361,000oz is in the Measured and Indicated category. Approximately 100,000oz is oxide material and potentially amenable to recovery by open pit mining and heap leaching.

During the year an auger sampling programme was completed over eight high-priority gold targets. 1,332 auger holes were drilled to a maximum depth of 3 metres and 6 of the 8 targets returned a number of anomalous samples. Results indicated two potential new zones of mineralisation south west of the main strike area. Both prospects show immediate promise to host additional bedrock gold mineralisation to add to the existing resource.

A further in-fill auger programme is being considered to define specific drill targets. With the recovering gold price both the oxide and the sulphide resources are now regarded as significant assets.

Dalafin

The Dalafin gold exploration licence covers 472.5sq km located in south-eastern Senegal.

The project is owned 85% by Stratex following the signing of an agreement with private Senegalese partner Energy & Mining Corporation S.A. in November 2014.

Dalafin is positioned in the centre of the Birimian-age Kédougou-Kéniéba gold belt that extends from eastern Senegal into western Mali. This region has already seen multiple major gold discoveries including Randgold Resource's Massawa deposit (3.4 million oz Au) and Oromin Exploration's Sabodala deposit (3 million oz Au) in Senegal, and Randgold's Loulo (12 million oz Au) and Goukoto projects (5.76 million oz Au) in Mali. Of critical importance is the fact that a number of the gold-rich deposits in the general vicinity of the Dalafin licence are hosted by north to north-east-trending fault zones, some of which also transect the Dalafin area.

To date, four main geochemical targets, Faré, Baytilaye, Saroudia, and Madina Bafé, have been confirmed by a 33,408 metre RAB (Rotary Air Blast) and AC (Air Core) drilling programme.



Dr. Bob Foster inspecting Dalafin outcropping

In 2015 the Company completed a trenching, mapping, and sampling programme at Madina Bafé that has confirmed the presence of a 1.2 km by 30-45 m north-east-striking mineralised zone in the south-east of the prospect. Mineralisation is hosted by sheeted tourmaline-quartz veins and quartz-tourmaline breccias with best results including 4.0 m @ 1.40 g/t Au (MBT-005), 6.0 m @ 0.86 g/t Au incl. 1.0 m @ 4.40 g/t Au (MBT-005), 1.2 m @ 1.14 g/t Au (MTB-003) and 1.0 m @ 1.77 g/t Au. Mineralisation remains open to the east. RC and diamond drilling between trenches MBT-003 and MBT-004 has previously returned excellent intersections including 9.6 m @ 16.08 g/t Au and 7 m @ 2.93 g/t Au that are indicative of depth-continuity of the zone and of elevated gold contents.

A limited soil sampling programme focussed on specific target areas within the Faré prospect was started in Q1 2016, together with the geological mapping of all areas within the Baytilaye prospect, where gold-in-soil anomalies have previously been identified.

Additional trenching is also being considered across both the strike extension of Madina Bafé South-East and Madina Bafé West, ahead of a potential drilling programme at key targets in the Dalafin licence.

Joint-venture projects:

Altintepe

The Altintepe mine is located close to the Black Sea coast of northern Turkey. It is a high-to-intermediate-sulphidation epithermal gold deposit with an in-house resource of 593,131 oz gold and 3,184,508 oz silver.

Under the terms of a joint-venture agreement in order to earn to 55% of the project, private Turkish contract mining company Bahar Madencilik funded the development costs, including all technical and financial studies, permitting and construction. Production at the project started on 5 November 2015. Bahar have agreed a minimum production target of 30,000 oz gold per annum and will recover their costs from 80% of net free cash flow; thereafter net proceeds will be distributed 55% Bahar, 45% Stratex.

Mineralisation occurs over five main zones – Çamlık, Çamlık East, Kayatepe, Extension Ridge and Karakısla. Preliminary metallurgical test work on material from Çamlık and Çamlık East indicated that the oxide material is mostly amenable to processing by low-cost heap leaching methods and this has been borne out by subsequent exploitation. However, the other zones contain some sulphide material and additional options for processing may have to be considered. There is potential for a total mine life of 8-9 years.

Stage 1 of mining is the recovering of some 110,000 oz of oxide gold from the Çamlık East and Çamlık zones over a 34 month period based on a resource of 3million tonnes @ 1.34g/t gold plus 0.5million @ 0.35g/t gold.

Up to the end of 2015 608oz of gold had been produced and sold generating some US\$654k. Full production is expected to be achieved by end March 2016 once the snows have cleared.



Altintepe crusher

Further exploration work is presently being undertaken at Extension Ridge ready for the start of Stage 2.

Thani Stratex Resources Ltd

In October 2014, the Company announced that it had completed the formation of a new East and North Africa-focused exploration and development company, Thani Stratex Resources Ltd, in partnership with Thani Emirates Resource Holdings ("Thani"). Thani and Stratex combined their East and North African assets in the region (including Stratex's former Blackrock and Pandora projects in Ethiopia and Djibouti respectively) and each contributed US\$1 million of initial working capital towards development of the portfolio. The new company is owned 40% by Stratex and 60% by Thani.

Thani Stratex Resources Ltd ("TSRL") had an encouraging year from an exploration perspective which has been tempered by the lack of funds for drilling and the long protracted lead times for successful fund raising. The key highlights are:

- Encouraging exploration results in Anbat (Egypt) and Pandora/Aseleyta (Djibouti) have resulted in the identification of a number of drill-ready targets which are now being energetically pursued.



Anbat, Egypt

- Following a review of the licence areas, the Hodine licence in Egypt and the licences in Djibouti and Ethiopia have been renewed and the licence at Wadi Kareem in Egypt has been relinquished.
- Termination of the Wadi Kareem licence in Egypt and the associated write off in the books amounting to US\$3m (Stratex's share £850,010).
- Consolidation and rationalisation of the operations in Egypt, Ethiopia and Djibouti have resulted in costs being reduced by some 40%.

- Fund raising activities have resulted in an agreement with a third party investor in February 2016, whereby US\$1.25 million of new funds has been introduced for the Djiboutian drill programme, with a possible further US\$1.25 million. Drilling at the Djibouti project is due to commence in the first half of 2016.



Calcite-silica veins at Asaleyta, Djibouti

As part of the funding exercise, the Company and Thani have both agreed to capitalise amounts owed to them by TSRL. As a result, the Company's interest has now been reduced from 40% to 38.4%.

Muratdere

Located 250 km west of Ankara, Turkey, the Muratdere property comprises three licences covering a substantial copper-gold-porphyry system with significant silver, molybdenum and rhenium content.

In December 2011, Stratex entered into a joint-venture agreement with Lodos Maden Yatırım Sanayii ve Ticaret A.Ş. ('Lodos'), a wholly-owned mining investment company of Pragma Finansal Danışmanlık Ticaret A.Ş. ('Pragma'), a leading private Turkish financial institution

and investment company, for the development of the Muratdere project.

Following the successful completion of a four-month due diligence by Pragma, comprising confirmatory drilling and metallurgical test-work, a definitive share purchase agreement was signed by Lodos who acquired 51% of the joint venture company, Muratdere Madencilik Sanayi ve Ticaret A.Ş. ("Muratdere Madencilik") for a cash payment to Stratex of US\$1.7 million. Lodos acquired an additional 10% of Muratdere Madencilik through two further cash payments of US\$250,000 each and the completion of a 3,000 metre diamond drilling programme and moved to a 70% interest following the completion of a feasibility study.

Lodos has proposed a three-pit development plan, over the 16-year mine life; the operation will produce approximately 15,967,000 tonnes of copper ore – 59% from supergene enriched material and 41% from hypogene material and approximately 26 million tonnes of waste material. Total metal produced in concentrate would be 68,139 tonnes copper.

The revised capital cost is US\$44.7million, comprising initial capital of US\$28.7 million and a further US\$16.1 million for subsequent operating capital. Operating cost is projected at US\$15.3 per tonne of ore processed and includes mining, plant, admin costs, state rentals and royalties. Total net income after tax would be US\$90 million with a project IRR of 29%, and NPV of US\$35.9 million discounted at 7.6% over the projected 16-year life of mine.

Now that Lodos has earned into 70% both parties are required to contribute towards the ongoing development costs of the mine. In the event that either party does not contribute, its equity interest will be reduced according to a standard contribute or dilute formula, as defined by expenditures.

Unfortunately, the recent steady fall in the price of copper has significantly eroded the project's IRR such that it no longer meets Stratex's investment criteria. The Board has therefore decided not to contribute its share of the current development costs and has accepted a dilution in its interest to 14.87%.

The Company will continue to monitor the economic situation but at this point in time it is unlikely that Stratex will contribute further to the project and will most likely face further dilution. In the event that a party's equity interest falls below 10%, its interest shall be converted to a 1.2% Net Smelter Returns royalty.

Karaağaç

In February 2015, Stratex announced a joint-venture agreement with Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi ('Anadolu') for the Karaağaç project in Turkey.



Karaağaç outcropping

Anadolou will spend up to US\$1.5million on exploration and drilling at the project within two years and will pay Stratex US\$500,000 cash if a minimum JORC-compliant indicated resource of 50,000 oz gold is confirmed for the project within the Exploration Period, plus a 1.5% net smelter returns royalty on any future mineral production.

Tembo Gold Corporation

In December 2013, Stratex entered into a C\$5.95 million co-investment with New Africa Mining Fund II and Concept Capital Management Ltd for the exploration and development of Tembo Gold Corporation's 100 sq. km Tembo gold licence, adjacent to Acacia Mining's 14 million oz Bulyanhulu Mine in Tanzania. The Company currently owns 12.89% of the issued share capital of Tembo Gold.

The Tembo Project is located in a prospective gold belt of Tanzania, immediately along strike from the Bulyanhulu gold mine.

Exploration activities were suspended during 2015 pending review and strategic evaluation of data and the raising of further capital by Tembo.

Group Strategic Report

Stratex International PLC

Company number: 05601091

Registered office: 180 Piccadilly, London, W1J 9HF, UK

The Directors present their strategic report on the Group for the year ended 31 December 2015.

Strategic management:

Principal Activities

The principal activity of the Group is the exploration and development of gold and other high-value base metals.

Strategic approach

The Board's strategic intent is to maximize shareholder value through the continuing development of a focused portfolio of exploration and development projects at various stages of their development, while at the same time managing the significant risks faced by exploration companies. Information on specific projects is provided on pages 10 to 14.

Our risk management approach places a clear focus on discovering and exploiting mineral wealth through multiple plays, thus increasing the odds of success. Traditionally we have built a pipeline of projects, through early discovery and by entering into strategic alliances with experienced partners. The present economic climate is no longer conducive to this approach and our intent is now to move up the value chain by investing in companies and/or projects with established resources, with a focus predominantly on West Africa. This approach significantly reduces the timespans involved in exploiting a resource and generating cash flow.

We continuously monitor and review our investment strategies and are quick to relinquish licences which we believe will be uneconomic. We will introduce joint-venture partners in certain circumstances to minimise risk, reduce Group costs and to take projects through to production.

The Group finances its activities through the monetisation of more advanced projects and through periodic capital raisings and starting in 2016, from the gold mine at 45%-owned Altintepe in Turkey.

Organisation overview

The Board of Directors:

The Board is responsible for providing strategic direction for the Group, setting objectives and management policies and agreement on performance criteria. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and monthly operation reviews.

Composition of the Board at 31 December 2015 was four Executive Directors and two Non-Executive Directors. John Cole-Baker resigned from the Board on 31 March 2015 but continues to provide valuable support for operations in West Africa. Christopher Worcester joined the Board on 1 February 2016 as an Independent

Non-Executive Director. The Board believes the present composition of the Board provides an appropriate mix to conduct the Group's affairs.

The Audit Committee:

The Audit Committee provides a formal review of the effectiveness of the internal control systems, the Group's financial reports and results announcements, and the external audit process. It comprises Peter Addison (Independent Non-Executive Director) and Christopher Worcester (Independent Non-Executive Director) who has replaced Christopher Hall. The external auditors and Perry Ashwood (Chief Financial Officer) attend by invitation when appropriate.

No internal control issues were identified during 2015.

The Remuneration Committee:

The Remuneration Committee provides a formal and transparent review of the remuneration of the executive directors and senior employees and to make recommendations to the Board on individual remuneration packages. This includes the award of non-contractual performance related bonuses and share options. Remuneration packages are designed to reward, motivate, retain and recruit individuals. Bonuses are only paid in recognition of performance.

It comprises Peter Addison (Independent Non-Executive Director) and Christopher Worcester (Independent Non-Executive Director) who has replaced Christopher Hall. No Director took part in discussions concerning the determination of their own remuneration.

Offices:

The Corporate Head office of the Group is located in Eastleigh, Hampshire, UK and provides geological, corporate and support services to the overseas operations in addition to researching and identifying new areas of exploration. West Africa operations are managed out of Dakar, Senegal and operations in Ghana are managed through Goldstone Resources Limited located in Cape Town, South Africa.

Business environment

Economic environment.

2015 was a difficult year for resource exploration companies. Shares in mining and exploration companies continued to decline and metal prices remain depressed. Meanwhile the cost of mining and exploration continued to rise. Many of the larger companies in the sector have reduced their involvement in exploration or withdrawn all together. In addition the risk of terrorism and unrest has increased. Few people are presently willing to invest in the sector and raising funds for the continuation of exploration activities continues to be very problematic.



Principal risks and uncertainties

The Group's operations are exposed to a variety of risks many of which are outside of the Company's control.

Exploration Industry Risks:

Mineral exploration is speculative in nature, involves many risks and is frequently unsuccessful. Following any discovery, it can take a number of years from the initial phases of drilling and identification of mineralisation until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish mineral reserves and to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation. Government activity, which could include non-renewal of licences, may result in any income receivable by the Group being adversely affected. In particular, changes in the application or interpretation of mining and exploration laws and/or taxation provisions in the countries in which the Group operates could adversely affect the value of its interests.

These risks are mitigated as much as as possible by; building and maintaining a pipeline of projects at various stages of development, by employing highly experienced and highly trained geologists, both at Board level and at the operational level and by maintaining good relationships with the Governments of the countries in which we operate.

Political risks:

All of the Group's operations are located in a foreign jurisdiction. As a result, the Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, terrorism, nationalisation, appropriation of property without fair compensation, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, export quotas, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which these operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrection.

The Board only conducts operations in those countries with a stable political environment and which have established acceptable mining codes. The Company adheres to all local laws and is pays heed to local customs.

Financial risks:

The main financial risks facing the Group are the availability of adequate funding, movements in interest rates and fluctuations in foreign exchange rates.

The Group's main source of finance is the monetisation of projects supported where necessary by the issue of share capital. The use of joint venture partners is key to keeping development costs as low as possible. Tight budgetary and financial controls are maintained across the Group. The Group only deals with high-quality banks. It does not hold derivatives, does not trade in financial instruments and does not engage in hedging arrangements. Tight budgetary and financial controls are maintained across

the Group. The use of interest-bearing deposit accounts is maximised and cash flow forecasts are constantly updated and reviewed by the Board.

Foreign exchange risks:

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Turkish Lira, Euro and US Dollar.

The group mitigates its risk to currency exposure by minimising the amount of funds held overseas. All treasury matters are handled centrally in the UK. All requests for funds from overseas operations are reviewed and authorised by Board members. The Group does not hedge its exposure to foreign currencies and recognises the profits and losses resulting from currency fluctuations as and when they arise.

Liquidity risk:

The Group's liquidity risk is considered to be insignificant.

The Group does not enter into long-term commitments for exploration expenditure. Cash forecasts are updated continuously. The financial exposure of the Group is substantially reduced by partnering with third parties in exploration joint ventures.

Corporate responsibility

All Directors, management and staff are expected to consistently apply the highest ethical standards to their conduct to ensure that the Company's affairs and reputation are at all times maintained at the uppermost level. It does not tolerate any corrupt practices.

The Board has established a Code of Conduct incorporating the guidelines of the Bribery Act 2010 and compliance officers have been appointed with clearly defined roles of responsibility. Personnel are encouraged to be vigilant at all times and report any suspicions they may have. Implementation of the Code is monitored and contraventions are reported to the Board.

The Company has well established policies on health and safety and these are set out in the Company's Health and Safety Booklet, which is made available to all employees on joining the Group. Our philosophy is that safety must be considered in every task performed and every decision made.

We are committed to the development of our employees and we aim to provide an environment which will attract, retain and motivate people, to ensure they can maximise their potential and share in the Group's successes.

The Directors recognise the importance of building good relations with local communities situated close to the Group's operations and the Company readily contributes, where appropriate, to the development of the local infrastructure and to supporting community needs. The Employees' Handbook sets out the boundaries of acceptable business practise and the manner in which the activities of the Group are to be conducted.

We are totally committed to minimising any adverse impact of our activities on the natural environment and, as a minimum standard, to comply with any relevant legislation within the territories in which we operate.

The Group adheres totally to all local environmental regulations.

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements, regular updates on the Company website and via its news subscription service, which is open to anyone. The Company readily responds to enquires from shareholders and the public, and Board members regularly present at such events as the Proactive Investors Forum and Mines and Money. The Board views the Annual General Meeting as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Corporate Governance

The Board has committed to the highest level of governance applicable to a Company of our size and to setting a culture that values the very highest of ethical standards in all territories in which we operate and that encourages personal and corporate integrity throughout the Group. To this end we fully support the principles set out in the UK Corporate Governance Code and whilst under AIM, rules compliance is not required, the Company has followed its recommendations in so far as it is practicable and applicable for a company of its size.

Business performance

2015 Operations Review

During 2015 Stratex moved from being just an exploration and development Company to a successful exploration company and gold producer.

Construction of the mine at Altintepe in Turkey was completed in 2015 and the first gold pour was achieved on 5 November 2015. Stratex did much of the early exploration work at Altintepe before entering into a joint-venture agreement with Bahar Madencilik in January 2013 whereby Bahar funded all development costs of the project in return for a 55% interest. The mine is expected to be fully operational by end of the first quarter 2016 and the Company expects to start receiving an income from the mine in 2016 (see page 12).

Elsewhere the Company's available funds limited the amount of exploration that could be undertaken in 2015. Cost reduction actions were taken across all operations and the costs saved enabled small exploration programmes to be carried at the Homase/Akrokerri project in Ghana and at the Dalafin project in Senegal.

An auger sampling programme was successfully completed over eight high-priority gold targets at the Homase/Akrokerri project. A total of 1,332 auger holes were drilled and the results indicated two potentially new zones of mineralisation and close-space infill auger sampling was carried out to support future drill targets (see page 10).

A trenching, mapping, and sampling programme carried out at on the Dalafin project in Senegal confirmed the presence of a sizeable mineralised zone in the south-east part of the Madina Bafé prospect. Selective grab samples of unweathered quartz-tourmaline veins commonly return

elevated gold assay values up to 22.24 g/t Au (see page 11).

An initial drill programme was completed at Doğala in Turkey as part of the Central Anatolia Project funded by Centerra under a Strategic Agreement. This returned low value gold intersections and in agreement with Centerra the alliance has been suspended for the time being.

The porphyry copper strategic alliance with Antofagasta has been terminated as a result of Antofagasta cutting back on exploration.

In February 2015 the Company agreed to sell the Karaağaç exploration licence to Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi, a subsidiary of an Istanbul-listed company. Anadolu would fund the continued exploration of the project under Stratex's management (see page 14).

Our partner Lodos completed a feasibility study at the Muratdere copper-gold-molybdenum project in Turkey in early 2015. Although the study has shown encouraging results, the significant fall in the copper price has severely affected the financial returns from the project such that it no longer meets Stratex's investment criteria. The Board has therefore decided not to contribute to the development of the mine and in accordance with the joint-venture agreement has accepted a dilution of its interest to 14.87% (see page 13).

Work carried out by Thani Stratex Resources Ltd ("TSRL") in Anbat Egypt and Aselleyta, part of the Pandora project in Djibouti, has identified a number of drill ready targets. Unfortunately funding constraint prevented the much awaited drilling of the Djibouti prospects. This is now planned for second quarter 2016, Thani Stratex Resources Ltd having recently secured funding for the program. As part of the funding exercise, Stratex's interest in the TSRL has been slightly diluted to 38.4%. (see page 12).

Work on the Tembo projects in Tanzania has been suspended pending a strategic evaluation of the data and further fund raising.

Following detailed negotiations with a number of prospective buyers, the Company sold its 1% NSR royalty acquired from the sale of the Öksüt project to former joint-venture partner Centerra for a net cash sum of US\$4.5 million, free of all fees and taxes.

Financial Review

The Group's loss after tax for the year was £637,556, which compares with a loss in 2014 of £2,543,623.

Administration costs, which includes all costs associated with exploration operations not capitalised, as well as office overheads, amounted to £2,145,128, a reduction of 20% over 2014. This reduction reflects the across-the-board efforts during the year to cut cost.

The Company's share of losses of associate companies, i.e. those enterprises where the Company has less than 50% interest and has no significant influence, amounts to £1,368,351, which compares to £85,585 in 2014. The increase is mainly attributable to Thani Stratex Resources Limited where the share of losses for the year amounted to £1,210,451 and includes an impairment write-off of £850,010 in respect of the Wadi Kareem project in Egypt.

Gold production from the Altintepe mine started in November and operations were still ramping up at the end of the year. During this period the sale of gold generated US\$653,716 for Altintepe Madencilik the joint venture company. No income was received by Stratex from Altintepe in 2015.

The sale of the Öksüt royalty generated £3,036,659 of cash and a similar amount of profit and resulted in a total cash balance for the Group at 31 December 2015 of £4,132,073.

Future developments

It is highly unlikely that raising funds for exploration work will become any easier in 2016. In view of this the Board took the decision to sell the Öksüt royalty and this will provide funds for further exploration during 2016, principally at Homase/Akrokerri and at Dalafin.

A short-term trenching programme was started in Dalafin in January 2016 and the results of this programme will determine the exploration programme for the remainder of the year.

Work will commence at the Homase/Akrokerri project in Ghana to identify new drill targets.

Drilling of the exciting prospects in Djibouti by our joint venture partner Thani Stratex Resources Ltd is now expected to start in quarter 2, 2016, following a successful round of funding.

The Board continues to actively seek opportunities to acquire interests in advanced gold projects in West Africa.

Key performance indicators

The Board monitors the following KPI's on a regular basis:

Finance related:

- Share price versus its peer group
 - The share price fell 30% during the year with a low of 1.08p but recovered to 1.50p at the end of the year. Although this decline was very disappointing, the performance significantly exceeded that of the Mining Sector.
- Funding and cash flow forecasts
 - Cash usage was carefully managed principally by the use of regularly updated cash forecasts. The funds from the sale of the Öksüt royalty ensured adequate funds for the near future.
- Overheads as a percentage of total expenditure
 - Administration costs reduced by 20% in the year but due to the constraints on exploration expenditure overheads increased as a % of total costs.

Project related:

Limited exploration work was undertaken during the year due to funding constraints.

- Metres drilled
- Acquisition of new licence areas
- Exploration expenditure by project.

Events after the Reporting Period

On 22nd February 2016, Lodos Maden Yatirim Sanayi ve Ticaret A.Ş. agreed to accept ordinary shares in Muratdere Madencilik in settlement of the amounts owed. The Board decided not to follow the investment in the company and as a result Stratex's shareholder interest in Muratdere is reduced to 14.87% from 30%.

On 1st February 2016, Stratex and Thani Emirates Resource Holdings agreed to accept ordinary shares in Thani Stratex Resources Limited in settlement of the amounts owed. As a result of this transaction Stratex's shareholder interest in TSRL is reduced to 38.4% from 40%.

Provision of information to Auditor

The Directors who held office at the date of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This Strategic Report was approved by the Board of Directors on 8 March 2016.



P C Ashwood
Company Secretary

8 March 2016

Directors' Report

Stratex International PLC Company number: 05601091

The Directors present their report, together with the Financial Statements and auditor's report, for the year ended 31 December 2015.

General Information

Certain information required by the Companies Act 2006 relating to the information to be provided in the Directors' Report is set out in the Group Strategic Report and includes: principal activities, future developments, principal risks and uncertainties and events after the end of the reporting period.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of the profit and loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Financial Statements comply with IFRS's as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

The maintenance and integrity of the website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the Financial Statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Directors and their interests

The current Directors and their biographies are set out on page 7.

John Cole-Baker resigned as Director on 31 March 2015. Christopher Worcester was appointed to the Board on 1 February 2016. With these exceptions all Directors have been Directors of the Company for the full year.

In compliance with the Company's Articles of Association, Peter Addison will retire by rotation and Christopher Worcester, having been appointed since the last AGM, will retire and, being eligible, both offer themselves for re-election.

The beneficial interests of the Directors in the issued share capital and share options of the Company are as follows:

	As at December 2015		As at December 2014	
	Ordinary 1p shares	Share options	Ordinary 1p shares	Share options
Christopher Hall	212,143	3,000,000	212,143	3,000,000
Dr Bob Foster	7,719,404	5,003,577	7,719,404	5,003,577
Perry Ashwood	1,744,485	4,723,567	1,744,485	4,723,567
Emma Priestley	–	1,500,000	–	1,500,000
John Cole-Baker (resigned 31/3/2015)	–	–	785,669	750,000
Peter Addison	217,857	3,000,000	217,857	3,000,000
Total	9,893,889	17,227,144	10,679,558	17,977,144

Christopher Worcester was appointed to the Board on 1 February 2016 and as at 31 December 2015 held no shares or share options in the Company.

Directors' Report (continued)

The remuneration paid to Directors was:

	Short term benefits			Share based payments	Total
	Salary	Fees	Taxable benefits		
2015	£	£	£	£	£
Christopher Hall	10,000	65,000	–	4,528	79,528
Dr Bob Foster	148,423	–	3,135	6,793	158,351
Perry Ashwood	128,312	–	4,015	5,157	137,484
Emma Priestley	75,000	–	–	9,057	84,057
Peter Addison	6,180	24,977	–	4,528	35,685
John Cole-Baker (resigned 31/3/2015)	25,493	–	–	1,132	26,625
Total	393,408	89,977	7,150	31,195	521,730

2014					
Christopher Hall	10,000	65,000	–	1,610	76,610
Dr Bob Foster	148,423	–	2,503	1,731	152,657
Perry Ashwood	128,312	–	2,994	1,245	132,551
Emma Priestley	6,538	–	–	676	7,214
Peter Addison	6,000	25,157	–	1,610	32,767
John Cole-Baker	101,970	–	–	338	102,308
David Hall (resigned 24/10/14)	114,974	–	–	1,272	116,246
Total	516,217	90,157	5,497	8,482	620,353

Substantial shareholdings

As at 9 March 2016, the Company was aware of the following holdings of 3% or more in the Company's issued share capital:

Shareholder	Number of shares	% of issued share capital
AngloGold Ashanti	53,710,219	11.5
Blackrock Investment Management	38,936,821	8.3
Teck Resources Limited	35,727,487	7.7
Forest Nominees Limited	25,425,000	5.4

Provision of information to Auditor

The Directors who held office at the date of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Approved by the Board and signed on its behalf.



P C Ashwood
Company Secretary

8 March 2016

Independent auditor's report to the members of Stratex International Plc

We have audited the Financial Statements of Stratex International Plc for the year ended 31 December 2015 which comprise the Statements of Consolidated and Parent Company Financial Position, the Statement of Consolidated Comprehensive Income, the Statement of Consolidated and Parent Company Cash Flows, the Statement of Consolidated and Parent Company Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and in regards the Parent Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

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

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the Group's Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company's Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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



Alistair Roberts (Senior statutory auditor)

For and on behalf of PKF Littlejohn LLP
Statutory auditor
1 Westferry Circus
Canary Wharf
London E14 4HD

8 March 2016

Statement of consolidated comprehensive income

	Notes	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Continuing operations			
Revenue		–	–
Administration expenses	10	(2,145,128)	(2,665,791)
Project impairment		–	(269,109)
Other income	9	2,770,522	190,585
Operating profit/(loss)		625,394	(2,744,315)
Finance income		22,839	44,727
Share of losses of investments accounted for using the equity method	17	(1,368,351)	(85,585)
Loss on sale of associate companies	7	(70,818)	(98,834)
Profit on sale of subsidiary company		–	303,294
Loss before income tax		(790,936)	(2,580,713)
Income tax credit	12	153,380	37,090
Loss for the year		(637,556)	(2,543,623)
Other comprehensive income for the year			
Items that may be subsequently reclassified to profit or loss			
Share of comprehensive income of investments accounted for using the equity method		246,457	104,711
Exchange differences on translating foreign operations		286,492	27,459
Other comprehensive income for the year, net of tax		532,949	132,170
Total comprehensive income for the year		(104,607)	(2,411,453)
Loss for the year attributable to:			
Owners of the Parent Company		(402,050)	(2,438,207)
Non-controlling interests		(235,506)	(105,416)
Loss for the year		(637,556)	(2,543,623)
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		90,114	(2,367,425)
Non-controlling interests		(194,721)	(44,028)
Total comprehensive income for the year		(104,607)	(2,411,453)
Earnings per share for losses from continuing operations attributable to the owners of the Company (expressed in pence per share).			
– basic	13	(0.09)	(0.52)
– diluted	13	(0.09)	(0.52)

The notes on pages 29 to 53 form part of these financial statements

Statement of consolidated financial position

Company number: 05601091

	Notes	As at 31 December 2015 £	As at 31 December 2014 £
ASSETS			
Non-Current Assets			
Property, plant and equipment	16	32,240	71,227
Intangible assets	15	8,323,340	7,603,549
Investments in equity-accounted associates	17	7,645,184	8,806,548
Available-for-sale financial assets	18	227,082	227,082
Trade and other receivables	19	1,322,135	1,078,577
Deferred tax asset	20	274,907	154,998
		17,824,888	17,941,981
Current Assets			
Trade and other receivables	19	873,697	930,401
Cash and cash equivalents	21	4,132,073	4,706,958
		5,005,770	5,637,359
Total Assets		22,830,658	23,579,340
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	23	4,673,113	4,673,113
Share premium	23	20,426,431	20,426,431
Other reserves	25	(125,714)	(643,305)
Retained earnings		(4,807,122)	(4,415,707)
Total equity attributable to owners of the Company		20,166,708	20,040,532
Non-controlling interest	26	2,251,732	2,446,453
Total equity		22,418,440	22,486,985
LIABILITIES			
Non-Current Liabilities			
Employee termination benefits		27,013	28,971
Deferred tax liabilities	20	275	526
		27,288	29,497
Current Liabilities			
Trade and other payables	27	384,930	1,062,858
Total Liabilities		412,218	1,092,355
Total equity and liabilities		22,830,658	23,579,340

The notes on pages 29 to 53 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 8 March 2016 and were signed on its behalf by:



Christopher Hall
Non-Executive Chairman



Perry Ashwood
Chief Financial Officer

Statement of consolidated changes in equity

	Attributable to owners of the Company					Non-controlling interests £	Total equity £
	Share capital £	Share premium £	Other reserves (see note 25) £	Retained earnings £	Total £		
Balance at 1 January 2014	4,673,113	20,426,431	(631,301)	(2,070,378)	22,397,865	–	22,397,865
Share-based payments	–	–	10,092	–	10,092	–	10,092
Share options exercised and cancelled	–	–	(92,878)	92,878	–	–	–
Total contributions by and distributions to owners of the Company	–	–	(82,786)	92,878	10,092	–	10,092
Non-controlling interest arising on business combination	–	–	–	–	–	2,490,481	2,490,481
Total transactions with owners of the Company	–	–	(82,786)	92,878	10,092	2,490,481	2,500,573
Loss for the year	–	–	–	(2,438,207)	(2,438,207)	(105,416)	(2,543,623)
Other comprehensive income	–	–	70,782	–	70,782	61,388	132,170
Total comprehensive income for the year	–	–	70,782	(2,438,207)	(2,367,425)	(44,028)	(2,411,453)
Balance at 31 December 2014	4,673,113	20,426,431	(643,305)	(4,415,707)	20,040,532	2,446,453	22,486,985
Share-based payments	–	–	36,062	–	36,062	–	36,062
Share options cancelled	–	–	(10,635)	10,635	–	–	–
Total contributions by and distributions to owners of the Company	–	–	25,427	10,635	36,062	–	36,062
Loss for the year	–	–	–	(402,050)	(402,050)	(235,506)	(637,556)
Other comprehensive income	–	–	492,164	–	492,164	40,785	532,949
Total comprehensive income for the year	–	–	492,164	(402,050)	90,114	(194,721)	(104,607)
Balance at 31 December 2015	4,673,113	20,426,431	(125,714)	(4,807,122)	(20,166,708)	2,251,732	22,418,440

The notes on pages 29 to 53 form part of these financial statements

Statement of consolidated cash flows

	Notes	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Cash flow from operating activities			
Net cash used in operating activities	29	(2,774,182)	(3,073,257)
Cash flow from investing activities:			
Cash acquired from acquisition of subsidiary – net		–	46,722
Purchase of property, plant and equipment	16	(8,149)	(30,825)
Purchase of intangible assets	15	(816,962)	(2,510,793)
Investment in associate company	17	(35,090)	(625,069)
Interest received		22,839	44,727
Net cash used in investing activities		(837,362)	(3,075,238)
Cash flow from financing activities			
Funds received from sale of royalty interests		3,036,659	–
Funds received from project partners		–	280,487
Net cash generated from financing activities		3,036,659	280,487
Net decrease in cash and cash equivalents		(574,885)	(5,868,008)
Cash and cash equivalents at beginning of the period		4,706,958	10,574,966
Cash and cash equivalents at end of the period	21	4,132,073	4,706,958

Non-cash transactions:

On 23 October 2014 the Group entered into an agreement with Thani Emirates Resource Holdings Limited under which Stratex East Africa Limited and Thani Stratex Djibouti Limited were transferred to a new company, Thani Stratex Resources Limited, in exchange for shares in that company.

On 4 December 2014, the Group received 2,727,272 ordinary shares in Aforo Resources Ltd in repayment of a loan of £89,691.

The notes on pages 29 to 53 form part of these financial statements

Statement of company financial position

Company number: 05601091

	Notes	As at 31 December 2015 £	As at 31 December 2014 £
ASSETS			
Non-Current Assets			
Property, plant and equipment	16	5,620	24,511
Available-for-sale financial assets	18	227,082	227,082
Investments in equity-accounted associates	17	680,958	645,869
Investment in subsidiaries	14	16,587,029	14,564,158
		17,500,689	15,461,620
Current Assets			
Trade and other receivables	19	2,572,323	2,564,906
Cash and cash equivalents	21	3,928,211	3,629,801
		6,500,534	6,194,707
Total assets		24,001,223	21,656,327
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	23	4,673,113	4,673,113
Share premium	23	20,426,431	20,426,431
Other reserves	25	709,299	683,872
Retained earnings	32	(2,636,045)	(5,024,466)
Total equity		23,172,798	20,758,950
LIABILITIES			
Current Liabilities			
Trade and other payables	27	828,425	897,377
		828,425	897,377
Total equity and liabilities		24,001,223	21,656,327

The notes on pages 29 to 53 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 8 March 2016 and were signed on its behalf by:



Christopher Hall
Non-Executive Chairman



Perry Ashwood
Chief Financial Officer

Statement of company changes in equity

Notes	Attributable to owners of the Company				Total equity £
	Share capital £	Share premium £	Other Reserves (see note 25) £	Retained earnings £	
Balance at 1 January 2014	4,673,113	20,426,431	766,658	5,621,116	31,487,318
Share-based payments	–	–	10,092	–	10,092
Share options cancelled	–	–	(92,878)	92,878	–
Total contributions by and distributions to owners of the Company	–	–	(82,786)	92,878	10,092
Comprehensive income for the year:					
– loss for the year	32	–	–	(10,738,460)	(10,738,460)
Total comprehensive income for the year	–	–	–	(10,738,460)	(10,738,460)
Balance at 31 December 2014	4,673,113	20,426,431	683,872	(5,024,466)	20,758,950
Share-based payments	–	–	36,062	–	36,062
Share options cancelled	–	–	(10,635)	10,635	–
Total contributions by and distributions to owners of the Company	–	–	25,427	10,635	36,062
Comprehensive income for the year:					
– profit for the year	32	–	–	2,377,786	2,377,786
Total comprehensive income for the year	–	–	–	2,377,786	2,377,786
Balance at 31 December 2015	4,673,113	20,426,431	709,299	(2,636,045)	23,172,798

The notes on pages 29 to 53 form part of these financial statements

Statement of company cash flows

	Notes	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Cash flow from operating activities			
Net cash used in operating activities	29	(1,313,296)	(1,083,647)
Cash flow from investing activities:			
Purchase of property, plant and equipment	16	(483)	(1,910)
Purchase of subsidiary company		–	(1,250,000)
Funding of subsidiary companies		(1,388,755)	(3,833,866)
Investment in associated company	17	(35,090)	(625,040)
Interest received		14,488	41,377
Net cash used in investing activities		(1,409,840)	(5,669,439)
Cash flow from financing activities			
Funds received from sale of royalty interests		3,036,659	–
(Decrease)/Increase in intercompany indebtedness		(15,113)	15,728
Net cash generated in financing activities		3,021,546	15,728
Net decrease in cash and cash equivalents		298,410	(6,737,358)
Cash and cash equivalents at beginning of the period		3,629,801	10,367,159
Cash and cash equivalents at end of the period	21	3,928,211	3,629,801

The notes on pages 29 to 53 form part of these financial statements

Notes to the financial statements

1. General information

The principal activity of Stratex International Plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and high-value base metals. The Company's shares are quoted on the AIM Market of the London Stock Exchange. The Company is incorporated and domiciled in the UK.

The address of its registered office is 180 Piccadilly, London, W1J 9HF.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements were prepared under the historical cost convention as modified by the measurement of certain investments at fair value and available-for-sale assets.

Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remain going concerns. At 31 December 2015 the Group had cash and cash equivalents of £4,132,073 and no borrowings. The mine at Altintepe commenced production in November 2015 and should be at full operational capacity by end March 2016. The major item of spend in 2016 is likely to be the further exploration on the Homase/Akrokerrri project and at Dalafin. Muratdere continues to be funded by our partner Lodos. The Company and Group has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Company and Group for a period of at least 12 months from the date of signing the annual report and financial statements. For these reasons the Directors continue to adopt the going concern basis in the preparation of the financial statements.

Changes in Accounting Policies

a) New and amended standards adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for the annual period beginning after 1 January 2015 and have been applied in preparing these financial statements.

Standard	Application
Annual Improvements Cycle 2010-2012	Amendments to IFRS 2 (Share-based payments – Definition of "vesting condition"), IFRS 3 (Business combinations – accounting for contingent consideration in a business combination), IFRS 8 (Operating segments – aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets), IFRS

13 (Fair value measurement – short-term receivables and payables), IAS 16 (Property, plant and equipment – revaluation method – proportionate restatement of accumulated depreciation), IAS 24 (Related party disclosures – key management personnel), and IAS 38 (Intangible assets – revaluation method – proportionate restatement of accumulated amortization). Effective 1 February 2015

Annual Improvements Cycle 2011-2013

Amendments to IFRS 1 (First time adoption of International Financial Reporting Standards – meaning of effective IFRSs), IFRS 3 (Business combinations – scope of exception for joint ventures), IFRS 13 (Fair value measurement – scope of paragraph 52 (portfolio exception)), and IAS 40 (Investment property – clarifying the inter-relationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property). Effective 1 January 2015

Adoption of these standards has not had a material impact on the Group.

b) New and amended standards and interpretations issued but not yet effective for the financial year beginning 1 January 2015 and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company and Group intend to adopt these standards, if applicable, when they become effective.

Standard	Application
IAS 7	Statement of Cash Flow amendments. Effective 1 January 2017
IFRS 9	Financial instruments (2014). Effective 1 January 2018
IFRS 16	Leases. Effective 1 January 2019
IAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses. Effective 1 January 2017
IFRS 10, IFRS 12 and IAS 28 (Amendments)	Investment entities – applying the consolidation exception. Effective 1 January 2016
IAS 1 (Amendment)	Disclosure initiative. Effective 1 January 2016
Annual Improvements Cycle 2012-2014	Improvements to IFRS 5 (Non-current assets held for sale and discontinued operations – change of disposal method), IFRS 7 (Financial instruments – disclosures – servicing contracts), IFRS 7 (Financial instruments – disclosures – applicability of the amendments to IFRS 7 on offsetting financial assets and financial liabilities to condensed interim financial statements), IAS 19 (Employee benefits – discount rate – regional market issue), and IAS 34 (Interim financial reporting – disclosure of information 'elsewhere in the interim financial report')



Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

Standard	Application
IAS 27 (Amendment)	Equity method in separate financial statements. Effective 1 January 2016
IAS 16 and IAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortization. Effective 1 January 2016
IFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations. Effective 1 January 2016

The Group does not expect to adopt the new standards before their operative date. The Group is currently evaluating the impact of the new standards, however they are not expected to have a material impact on the Group.

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods.

2.2 Basis of preparation

Stratex International PLC was incorporated on 24 October 2005. On 21 November 2005 Stratex International PLC acquired the entire issued share capital of Stratex Exploration Ltd by way of a share for share exchange. The transaction was treated as a Group reconstruction and was accounted for using the merger accounting method.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group

loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The acquisition method is used to account for the acquisition of subsidiaries.

Any contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or a liability is recognised in accordance with IAS 39 either in profit or loss or as a change in other comprehensive income. The unwinding of the discount on contingent consideration liabilities is recognised as a finance charge within profit or loss.

Acquisition related costs are expensed as incurred.

The Group measures goodwill at the acquisition date as the excess of the fair value of the consideration transferred, plus the recognised amount of any non-controlling interests, less the recognised amount of the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All significant intercompany transactions and balances between group entities are eliminated on consolidation.

Associates are all entities over which the Group has significant influence but not control over the financial and operating policies.

References to joint venture agreements do not refer to arrangements which meet the definition of joint ventures under IFRS 11 "Joint Arrangements" and therefore these Financial Statements do not reflect the accounting treatments required under IFRS 11.

Investments in associates and jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an equity-accounted investee the carrying amount of the investment, including any other unsecured receivables, is reduced to zero, and the recognition of further losses is discontinued, unless the Group has incurred obligations or made payments on behalf of the investee.

Unrealised gains on transactions between the Group and equity-accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. Summary of significant accounting policies (continued)

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in equity-accounted investees are recognised in profit or loss.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are recorded in equity.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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 sterling, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- (ii) income and expenses in profit or loss for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Motor vehicles	25%
Field equipment	33%
Office, furniture and equipment	25% – 33%

Gold samples are not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity. All other repairs and maintenance are recognised as an expense as incurred.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount for these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment or subsequent disposal. In the event that the carrying amount exceeds the estimated recoverable amount, the carrying amount is written down immediately and an impairment loss is recognised in profit or loss.

2.5 Intangible assets

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources.

Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to undertake topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive Board of Directors.

2.7 Impairment of non-financial assets

Exploration and evaluation assets not ready for use are assessed for impairment annually. The assessment is carried out by allocating exploration and evaluation assets to cash-generating units, which are based on specific projects or geographical areas. Where the exploration for and evaluation of mineral resources in cash-generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities at that unit, the associated expenditures will be written off to profit or loss.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

In assessing the carrying values of its major exploration and evaluation assets, the Directors have used cash flow projections for each of the projects where a JORC – compliant resource has been calculated.

Certain of the other exploration projects are at an early stage of development and no JORC-compliant resource estimate has been completed. In these cases the Directors have assessed the impairment of the projects based on future exploration plans and estimates of geological and economic data. The Board does not believe that the key assumptions will change so as to cause the carrying values to exceed the recoverable amounts.

To date impairment losses recognised have followed the decision of the Board not to continue exploration and evaluation activity on a particular project licence area where it is no longer considered an economically viable project or where the underlying exploration licence has been relinquished.

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash-generating units). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

2.9 Financial instruments

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted

in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loan and receivables comprise Trade and Other Receivables and Cash and Cash Equivalents in the Statement of Financial Position.

- Available-for-sale financial asset

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the end of the reporting period.

(b) Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Group commits to purchasing or selling the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as "gains and losses from investment securities".

2. Summary of significant accounting policies (continued)

(c) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(d) Impairment of Financial Assets

- Assets Carried at Amortised Cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset’s original effective interest rate. The asset’s carrying amount is reduced, and the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

- Assets Classified as Available-for-Sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss are not reversed through profit or loss.

2.10 Deferred taxation

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. No liability to UK corporation tax arose on ordinary activities for the current period or prior periods. The Group has losses to be carried forward on which no deferred tax asset is recognised. Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Current and deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited directly to equity, in which case the related tax is also dealt with in equity.

2.11 Share-based payments

The fair value of the services received from employees and third parties in exchange for the grant of share options is recognised as an expense. The fair value of the options granted is calculated using the Black-Scholes pricing model and is expensed over the vesting period. At each reporting period the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.12 Share capital

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

2.13 Trade receivables

Trade receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not they are presented as non-current assets. Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

2.14 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.15 Available-for-sale financial assets

Available-for-sale financial assets are valued under level 3 of fair value hierarchy, taking into account the early stage of development of the exploration projects and lack of a JORC-compliant resource to enable a value-in-use calculation to be performed.

2.16 Finance income

Finance income comprises bank interest receivable. Interest revenue is recognised using the effective interest method.

2.17 Other income

Other income represents income from activities other than normal business operations.

Royalty payments, arising from the involvement of exploration partners, are recognised as other income once payment has been received.

2.18 Post-employment benefits

Retirement benefit costs are calculated by applying the Projected Unit Credit Method and the resulting adjustments are recognised in profit or loss.

2.19 Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

3. Risk management

3.1 Financial risk management

The main financial risks facing the Group are the availability of adequate funding, movements in interest rates and fluctuations in foreign exchange rates. Constant monitoring of these risks ensures that the Group is protected against any potential adverse effects of such risks so far as it is possible and foreseeable. The Group only deals with high-quality banks. It does not hold derivatives, does not trade in financial instruments and does not engage in hedging arrangements.

In keeping with similar sized mineral exploration groups, its continued future operations depend on the ability to raise sufficient working capital. The Group finances itself through the monetisation of exploration assets and the issue of equity share capital and has no borrowings. Management monitors its cash and future funding requirements through the use of on-going

cash flow forecasts. All cash, with the exception of that required for immediate working capital requirements, is held on short term deposit.

The Group's only exposure to interest rate fluctuations is restricted to the rates earned on its short term deposits. These deposits returned an interest rate of between 0.1% and 1.3% during the past year.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Turkish Lira, West African CFA Franc, Euro and US Dollar. Foreign exchange risk arises from future commercial transactions and net investments in foreign operations. The Group does not hedge its exposure to foreign currencies and recognises the profits and losses resulting from currency fluctuations as and when they arise.

The Group's liquidity risk is considered to be insignificant. Expenditure is monitored through cash flow forecasts.

The Group will continue to make substantial expenditures related to its exploration and development activities. The financial exposure of the Group has been substantially reduced as a result of entering into agreements with third parties.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

4. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. Actual results may vary from the estimates used to produce these financial statements. The most significant judgement for the Group is the assumption that exploration at the various sites will ultimately lead to a commercial mining operation. Failure to do so could lead to the write-off of the intangible assets relating to the particular site (see Note 2.7).

The Group considers that it controls Goldstone Resources Limited even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Goldstone Resources Limited with a 33.45% equity interest; the Group holds warrants which, on exercise, would increase ownership to 50.13%; and through the Group's representation on the Board providing it with control over that company's exploration and evaluation activities. Since the date of acquisition, there have been no instances of the other shareholders of Goldstone Resources Limited collaborating to exercise their votes collectively or to outvote the Group.

4. Critical accounting estimates and judgements (continued)

The Group is subject to income taxes in numerous jurisdictions. Judgement is required in determining the worldwide provision for such taxes. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the current and deferred income tax

assets and liabilities in the period in which such determination is made. A deferred tax asset of £274,907 has been recognised in respect of temporary timing differences relating to the Group's intangible assets. Should these timing differences not reverse, the Group may need to revise the carrying value of this asset.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Segment reporting

The Group's main exploration operations are located in Turkey and Africa. The Group's head office is located in the UK and provides corporate and support services to the Group and researches new areas of exploration opportunities. The management structure and the management reports received by the Directors and used to make strategic decisions reflect the split of operations.

The allocation of assets and liabilities by segment is as follows:

	Exploration			UK support & other	Group Total
	Turkey £	East Africa £	West Africa £	£	£
At 31 December 2015					
Intangible assets	–	–	8,323,340	–	8,323,340
Property, plant and equipment	10,706	–	15,914	5,620	32,240
Investment in associate companies	549,524	7,095,660	–	–	7,645,184
Cash and other assets	696,389	–	1,378,997	4,754,508	6,829,894
Liabilities	(115,920)	–	(42,355)	(253,943)	(412,218)
Inter-segment	(3,353,103)	–	(9,285,166)	12,638,269	–
Net assets/(liabilities)	(2,212,404)	7,095,660	390,730	17,144,454	22,418,440
Additions to property, plant and equipment	7,666	–	–	483	8,149

	Exploration			UK support & other	Group Total
	Turkey £	East Africa £	West Africa £	£	£
At 31 December 2014					
Intangible assets	–	–	7,603,549	–	7,603,549
Property, plant and equipment	10,880	–	35,836	24,511	71,227
Investment in associate companies	823,817	7,982,731	–	–	8,806,548
Cash and other assets	673,754	–	1,997,718	4,426,544	7,098,016
Liabilities	(496,291)	–	(283,810)	(312,254)	(1,092,355)
Inter-segment	(2,851,657)	–	(8,918,108)	11,769,765	–
Net assets/(liabilities)	(1,839,497)	7,982,731	435,185	15,908,566	22,486,985
Additions to property, plant and equipment	2,106	3,265	23,544	1,910	30,825

Notes to the financial statements (continued)

5. Segment reporting (continued)

The capitalised cost of the principal projects and the additions during the year are as follows:

	Capitalised cost		Additions in year	
	2015 £	2014 £	2015 £	2014 £
West Africa				
Dalafin	5,138,892	4,920,721	469,120	1,786,153
Homase/Akrokerrri	3,075,349	2,662,567	262,758	38,080
Other	109,099	20,261	85,084	289,177
Total	8,323,340	7,603,549	816,962	2,113,410
East Africa	–	–	–	116,896
Total Intangible assets	8,323,340	7,603,549	816,962	2,230,306

Intangible assets are net of funds receivable from the Company's partners under various joint venture agreements which amount to £115,171 (2014: £280,487).

The allocation of profits and losses for the year by segment is as follows:

	Exploration			UK support & other £	Group Total £
	Turkey £	East Africa £	West Africa £		
2015					
Administration expenses	(258,274)	(124,049)	(551,220)	(1,175,888)	(2,109,431)
Depreciation charge	(5,156)	–	(11,699)	(18,842)	(35,697)
Other income	42,777	–	11,552	3,060,070	3,114,399
Share of losses in associate companies	(119,371)	(1,248,980)	–	–	(1,368,351)
Exchange gains/(losses)	(375,527)	–	11,624	(27,953)	(391,856)
Inter-segment charges	(193,244)	–	(457,631)	650,875	–
Income tax	153,380	–	–	–	153,380
Profit/(Loss) for year	(755,415)	(1,373,029)	(997,374)	2,488,262	(637,556)
2014					
Administration expenses	(518,525)	(768,842)	(673,345)	(612,507)	(2,573,219)
Depreciation charge	(8,444)	(60,212)	(4,027)	(19,889)	(92,572)
Impairment losses	–	–	(269,109)	–	(269,109)
Other income/(losses)	(240,926)	204,460	216,868	41,377	221,779
Share of losses in associate companies	(57,315)	(28,270)	–	–	(85,585)
Exchange gains/(losses)	(92,081)	18,632	(33,328)	324,770	217,993
Inter-segment charges	(100,391)	(257,055)	(369,559)	727,005	–
Income tax	(41,433)	–	88,681	(10,158)	37,090
Profit/(Loss) for year	(1,059,115)	(891,287)	(1,043,819)	450,598	(2,543,623)

Costs and liabilities re allocated based on the nature of the underlying transaction. Assets are allocated based on where they are located. Transactions between segments are recorded at cost.

6. Services provided by the Company's auditor

During the year the Group obtained the following services from the Company's auditor:

	2015 £	2014 £
Auditor's remuneration		
Fees payable for the audit of parent and consolidated financial statements	35,750	37,537
Fees payable for other services	4,545	4,525
Fees payable for tax compliance	4,500	7,300
	44,795	49,362

7. Loss on sale of associates

On 1 September 2015, Lodos Maden Yatirim Sanayi ve Ticaret A.S. increased its shareholding in Muratdere Madencilik to 70% from 61% following the funding and completion of a feasibility study in fulfillment of its commitments under the Agreement signed on 21 November 2012. This reduced Stratex's holding from 39% to 30%. The Group recorded a loss on disposal of £70,818.

In 2014

During the year Tembo Gold Corporation issued additional share capital thereby reducing Stratex's shareholding interest from 14.23% at 31 December 2013 to 12.8%. This has resulted in a loss of £98,834 for the Group.

8. Profit on sale of subsidiary

In 2014

On 23 October 2014 the Group entered into an agreement with Thani Emirates Resource Holdings Limited under which Stratex East Africa Limited and Thani Djibouti Limited were transferred to a newly formed company, Thani Stratex Resources Limited, in exchange for shares in that company resulting in a gain from the transaction of £303,294.

9. Other income/(losses)

	2015 £	2014 £
Exchange (losses)/gains	(391,856)	217,993
Profit from sale of royalty	3,036,659	–
Other	125,719	–
Change in value of deferred consideration	–	1,140,064
Change in value of held-for-sale assets	–	(240,926)
Impairment of goodwill	–	(926,546)
Total for year	2,770,522	190,585

Notes to the financial statements (continued)

10. Expenses by nature

Administration expenses comprise:

	2015 £	2014 £
Personnel expenses (see note 11)	1,075,827	1,174,159
Contract staff wages	23,148	152,255
Other exploration related expenses	116,309	53,230
Legal and professional expenses	578,573	293,974
Depreciation expense	35,697	92,572
Other expenses	315,574	899,601
Total for year	2,145,128	2,665,791

11. Personnel expenses

	2015 £	2014 £
Wages and salaries	885,621	1,007,083
Social security costs	129,891	105,542
Share options granted to Directors and employees	36,063	10,092
Employee benefits-in-kind	23,545	49,801
Employee termination benefits	707	1,641
Total for year	1,075,827	1,174,159
Average number of employees, including Directors	19	44

The amount of wages and salaries capitalised during the year as part of intangible assets and not included above is £184,551 (2014: £145,595).

Employee termination benefits relate to Stratex Madencilik Sanayi Ve Ticaret Ltd. Şti and has been calculated using the projected unit credit method.

The Company does not operate a pension scheme and no contributions have been made to pensions schemes during the year (2014: nil).

Detail of the Directors' remuneration is shown in the Directors' Report.

12. Income tax

Analysis of income tax (expense)/credit:

	2015 £	2014 £
UK Corporation tax charge for the year	–	–
Foreign tax:		
Current tax charge for the year	–	(10,159)
Deferred tax credit for the year	153,380	47,249
Total tax on loss for the year	153,380	37,090

12. Income tax (continued)

The Group does not anticipate a UK corporation tax charge for the year due to the availability of tax losses. The Group did not recognise deferred income tax assets of approximately £2,534,493 (2014: £3,016,000). Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. These were in respect of UK losses amounting to approximately £11,412,775 (2014: £13,453,000), and losses in Turkey of approximately £1,007,752 (2014: £1,303,000). These losses can be carried forward and used against future taxable income at rates of 20% and 25% respectively.

	2015 £	2014 £
Loss before tax	(790,936)	(2,580,713)
Current tax credit at 20.2% (2014: 21.5%)	(160,164)	(554,853)
Effects of:		
Expenses not deductible for tax purposes	7,424	3,065
Non-taxable income	(47,253)	(101,232)
Capital allowances in excess of depreciation	5,320	10,350
Tax losses carried forward – UK	(413,247)	462,661
Tax losses carried forward – outside UK	607,920	180,010
Overseas tax charge	–	10,158
Origination and reversal of temporary differences	(153,380)	(47,249)
Tax credit	(153,380)	(37,090)

13. Earnings per share

The calculation of the basic earnings per share is based on the loss attributable to the equity holders of the Company and a weighted average number of ordinary shares in issue during the year, as follows:

	2015 £	2014 £
Loss attributable to owners of the Company	(402,050)	(2,438,207)
Weighted average number of ordinary shares in issue	467,311,276	467,311,276
Basic and diluted loss per share (pence per share)	(0.09)	(0.52)

There is no difference between basic and diluted loss per share as the effect on the exercise of the options would be to decrease the earnings per share.

At the year end there were 24,466,144 (2014: 24,316,144) share options that could potentially dilute the earnings per share in the future.

Notes to the financial statements (continued)

14. Investments in subsidiaries

The cost of shares in subsidiary companies is as follows:

Company	2015 £	2014 £
At 1 January	3,948,761	2,699,761
Disposal of cost of investment	–	(1,000)
Additions to cost of Investment	–	1,250,000
	3,948,761	3,948,761
Loans to subsidiary companies	12,638,268	10,615,397
At 31 December	16,587,029	14,564,158

There are no significant restrictions in relation to the subsidiaries.

Investments in subsidiaries are stated at cost.

	Country of incorporation	% owned by Company	% owned by subsidiary	Nature of business
Stratex Exploration Ltd	UK	100	–	Holding company
Stratex Gold AG	Switzerland	100	–	Holding company
Stratex West Africa Limited	UK	100	–	Exploration
Goldstone Resources Limited	Jersey	33.45	–	Exploration
Stratex Madencilik Sanayi Ve Ticaret Ltd. Şti	Turkey	–	100	Exploration
Stratex EMC SA	Senegal	–	85	Exploration
Stratex Liberia Inc	Liberia	–	100	Exploration

15. Intangible Assets

Group	Goodwill £	Exploration assets £	Total £
Cost			
At 1 January 2014	926,546	8,016,232	8,942,778
Exchange movements	–	71,317	71,317
Additions	–	2,230,306	2,230,306
Acquisition of subsidiary	–	2,559,997	2,559,997
Disposals	–	(5,005,194)	(5,005,194)
Impairment	(926,546)	(269,109)	(1,195,655)
At 31 December 2014	–	7,603,549	7,603,549
Exchange movements	–	(97,171)	(97,171)
Additions	–	816,962	816,962
At 31 December 2015	–	8,323,340	8,323,340

The Directors have assessed the value of the goodwill which arose from the acquisition of Stratex West Africa Limited (formerly Silvrex Limited) in December 2011 and have concluded that the benefits to the business underlying the value of the goodwill have largely diminished and the goodwill was written-off in full in 2014.

Exploration assets represent the cost of evaluation and development of the Group's exploration projects and are net of funds receivable from the Group's partners under various joint venture agreements, amounting to £115,171 (2014: £280,486). The exploration asset impairment write-offs represent the writing down to nil carrying value for those projects where the Directors have decided that no further exploration or evaluation work will be undertaken as these projects are not thought to be economically viable. The write-offs have been recognised in profit or loss for the year.

16. Property, plant and equipment

Group and Company	Group				Company	
	Gold Samples £	Motor Vehicles £	Field Equipment £	Office furniture and equipment £	Total £	Office furniture and equipment £
Cost						
At 1 January 2014	–	256,701	70,441	306,396	633,538	84,066
Exchange movements	70	2,894	1,189	(657)	3,496	–
Additions	–	–	15,026	15,799	30,825	1,910
Acquisition of subsidiary	2,858	12,508	35,164	100,721	151,251	–
Disposals	–	(216,682)	(68,316)	(74,773)	(359,771)	–
At 31 December 2014	2,928	55,421	53,504	347,486	459,339	85,976
Exchange movements	156	(6,176)	846	(17,407)	(22,581)	–
Additions	–	–	–	8,149	8,149	483
Disposals	–	–	–	(1,275)	(1,275)	(786)
At 31 December 2015	3,084	49,245	54,350	336,953	443,632	85,673
Depreciation						
At 1 January 2014	–	(179,576)	(56,204)	(219,342)	(455,122)	(41,576)
Exchange movements	–	(125)	(1,040)	670	(495)	–
Additions	–	(41,866)	(10,950)	(48,166)	(100,982)	(19,889)
Acquisition of subsidiary	–	(5,733)	(35,164)	(89,930)	(130,827)	–
Disposals	–	175,616	61,324	62,374	299,314	–
At 31 December 2014	–	(51,684)	(42,034)	(294,394)	(388,112)	(61,465)
Exchange movements	–	6,272	(1,641)	15,517	20,148	–
Additions	–	(3,271)	(5,164)	(35,580)	(44,015)	(19,013)
Disposals	–	–	–	587	587	425
At 31 December 2015	–	(48,683)	(48,839)	(313,870)	(411,392)	(80,053)
Net Book Value						
at 1 January 2014	–	77,126	14,237	87,054	178,417	42,490
at 31 December 2014	2,928	3,737	11,470	53,092	71,227	24,511
at 31 December 2015	3,084	562	5,511	23,083	32,240	5,620

During the year £7,492 (2014: £5,023) of the charge for depreciation was transferred to Intangible Assets. Depreciation expense of £36,523 (2014: £91,608) was included in profit or loss for the year.

Notes to the financial statements (continued)

17. Investment in equity-accounted associates

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
At 1 January	8,806,548	2,545,207	645,868	19,800
Exchange movements	242,715	199,367	–	–
Additions	35,090	6,242,261	35,090	626,069
Disposals	(70,818)	(94,702)	–	–
Share of losses	(1,368,351)	(85,585)	–	–
At 31 December	7,645,184	8,806,548	680,958	645,869

- a) On 1 September 2015, Lodos Maden Yatirim Sanayi ve Ticaret A.S. increased its shareholding in Muratdere Madencilik to 70% from 61% following the funding and completion of a feasibility study in fulfillment of its commitments under the Agreement signed on 21 November 2012. The Group recorded a loss on disposal of £70,818.
- b) On 23 December 2015 Stratex International PLC invested a further £35,090 in Thani Stratex Resources Limited in order to maintain its shareholding interest at 40%.
- c) The Directors have determined that they have significant influence over the financial and business operations of Tembo Gold Corporation ("Tembo") and have classified the Group's interest in Tembo as an associate company to be accounted for using the equity method.
- d) The following entities have been included in the consolidated financial statements using the equity method:

	Ownership %	Country of incorporation	Reporting date	Carrying value £	Group share of profits/(losses) £
At 31 December 2015					
Altintepe Madencilik Sanayi ve Ticaret AŞ	45.0	Turkey	31 December	17,821	(158,474)
Muratdere Madencilik Sanayi ve Ticaret AŞ	30.0	Turkey	31 December	531,703	39,103
Rift Resources Ltd	49.5	UK	30 November	–	–
Thani Stratex Resources Limited	40.0	British Virgin Islands	31 December	5,563,173	(1,210,451)
Tembo Gold Corporation	13.9	Canada	31 December	1,532,487	(38,529)
Total				7,645,184	(1,368,351)

At 31 December 2014					
Altintepe Madencilik Sanayi ve Ticaret AŞ	45.0	Turkey	31 December	145,562	(15,881)
Muratdere Madencilik Sanayi ve Ticaret AŞ	39.0	Turkey	31 December	678,255	(41,434)
Rift Resources Ltd	49.5	UK	30 November	–	–
Tembo Gold Corporation	13.9	Canada	31 December	1,572,118	(88,119)
Thani Stratex Resources Limited	40.0	British Virgin Islands	31 December	6,410,613	64,010
Thani Stratex Djibouti Limited	49.0	British Virgin Islands	31 December	–	(4,161)
Total				8,806,548	(85,585)

17. Investment in equity-accounted associates (continued)

- e) Summarised financial information for investments accounted for using an equity method is shown below. This information reflects the amounts presented in the financial statements of the associates (and not Stratex International plc's share of those amounts) adjusted for differences in accounting policies between the Group and associates:

Statement of financial position

Group	Altintepe Madencilik Sanayi ve Ticaret AŞ £	Muratdere Madencilik Sanayi ve Ticaret AŞ £	Rift Resources Ltd £	Tembo Gold Corporation £	Thani Stratex Resources Limited £	Total £
As at 31 December 2015						
Current assets						
Cash and cash equivalents	1,608	3,010	–	386	125,058	130,062
Net current assets/(liabilities)	(4,243,911)	52,051	–	(275,887)	(480,673)	(4,948,420)
Total current assets	(4,242,303)	55,061	–	(275,501)	(355,615)	(4,818,358)
Non-current assets						
Furniture, fittings and equipment	33,141	10,380	–	98,857	113,836	256,214
Intangible assets	3,838,155	2,278,697	–	12,152,599	18,211,287	36,480,738
Receivables	11,578	2,766	–	–	–	14,344
Total non-current assets	3,882,874	2,291,843	–	12,251,456	18,325,123	36,751,296
Non-current liabilities	–	(1,277,670)	–	–	(4,061,572)	(5,339,242)
Net assets	(359,429)	1,069,234	–	11,975,955	13,907,936	26,593,696

As at 31 December 2014

Current

Cash and cash equivalents	53,532	110	20,679	228,464	886,818	1,189,602
Other current liabilities	(1,602,070)	(397,290)	(191,665)	(7,793)	(400,336)	(2,599,154)
Total current assets	(1,548,539)	(397,180)	(170,986)	220,671	486,482	(1,409,552)

Non-current assets

Furniture, fittings and equipment	1,916	17,144	–	133,912	241,279	394,252
Intangible assets	2,287,615	2,252,734	70,000	11,931,081	18,759,764	35,301,193
Receivables	188,306	31,379	–	–	–	219,685
Total non-current assets	2,477,837	2,301,257	70,000	12,064,993	19,001,043	35,915,130
Non-current liabilities	(356,387)	(1,002,964)	–	–	(3,460,989)	(4,820,340)
Net assets	572,911	901,113	(100,986)	12,285,664	16,026,536	29,685,238

Notes to the financial statements (continued)

17. Investment in equity-accounted associates (continued)

Statement of comprehensive income

Group	Altıntepe Madencilik Sanayi ve Ticaret AŞ £	Muratdere Madencilik Sanayi ve Ticaret AŞ £	Rift Resources Ltd £	Tembo Gold Corporation £	Thani Stratex Resources Limited £	Total £
As at 31 December 2015						
Revenue	455,837	–	–	–	–	455,837
Administration expenses	(1,320,103)	3,777	–	(549,111)	(691,160)	(2,556,597)
Depreciation	–	(3,348)	–	(38,544)	(144,978)	(186,870)
Impairment	–	–	–	–	(2,125,026)	(2,125,026)
Other income	–	–	–	–	(75,116)	(75,116)
Exchange gains/(losses)	(8,893)	3,396	–	–	10,153	4,656
Interest income/(finance charges)	–	–	–	(687)	–	(687)
(Loss)/profit from continuing operations	(873,159)	3,825	–	(588,342)	(3,026,127)	(4,483,803)
Income tax expenses	–	–	–	–	–	–
(Loss)/profit after tax for continuing operations	(873,159)	3,825	–	(588,342)	(3,026,127)	(4,483,803)
Other comprehensive income						
Exchange differences on translating foreign operations	–	–	–	1,552,989	137,563	1,690,552
Total comprehensive income	(873,159)	3,825	–	964,647	(2,888,564)	(2,793,251)
As at 31 December 2014						
Administration expenses	(15,594)	(98,647)	(62,925)	(776,023)	(313,138)	(1,266,327)
Depreciation	–	(4,589)	–	(36,480)	(25,311)	(66,380)
Other income	–	–	–	–	514,826	514,826
Exchange gains/(losses)	(19,679)	(2,952)	–	–	(3,004)	(25,635)
Interest income/(finance charges)	–	–	–	4,110	(13,347)	(9,237)
(Loss)/profit from continuing operations	(35,273)	(106,188)	(62,925)	(808,393)	160,026	(852,753)
Income tax expenses	–	–	–	274,887	–	274,887
(Loss)/profit after tax for continuing operations	(35,273)	(106,188)	(62,925)	(533,506)	160,026	(577,866)
Other comprehensive income						
Exchange differences on translating foreign operations	–	–	–	1,221,464	(131,197)	1,090,267
Total comprehensive income	(35,273)	(106,188)	(62,925)	687,958	28,829	512,401

18. Available-for-sale financial assets

Group and Company	2015 £	2014 £
At 1 January	227,082	137,391
Additions	–	89,691
At 31 December	227,082	227,082

Available-for-sale financial assets are valued under level 3 of the fair value hierarchy, taking into account the early stage of development of the exploration projects and lack of a JORC-compliant resource to enable a value-in-use calculation to be performed.

19. Trade and other receivables

The fair value of trade and other receivables equate to their carrying values, which also represents the Group's maximum exposure to credit risk. No collateral is held as security.

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Receivables from exploration partners	1,169,820	1,462,653	–	–
Deposits and guarantees given	152,315	181,483	–	–
Amounts due from Group companies	–	–	2,354,986	2,354,376
VAT recoverable	64,763	66,627	8,642	15,355
Pre-payments and other current assets	808,934	298,215	208,695	195,175
Total	2,195,832	2,008,978	2,572,323	2,564,906
Non-current	1,322,135	1,078,577	–	–
Current	873,697	930,401	2,572,323	2,564,906
Total	2,195,832	2,008,978	2,572,323	2,564,906

There were no receivables past due in 2015 (2014: nil).

20. Deferred tax assets and liabilities

Group	2015 £	2014 £
Deferred tax assets		
Temporary timing differences arising on:		
Intangible assets	257,684	136,595
Employee termination benefits	5,403	5,794
Non-accrued financial expenses	11,809	12,513
Other	11	96
Total	274,907	154,998
Deferred tax liabilities		
Temporary timing differences arising on:		
Tangible and intangible assets	(45)	(347)
Other	(230)	(179)
Total	(275)	(526)
Net deferred tax asset	274,632	154,472

Notes to the financial statements (continued)

20. Deferred tax assets and liabilities (continued)

The movement in the year on the net deferred tax assets is:

	2015 £	2014 £
At 1 January	154,472	112,698
Exchange movements	(33,220)	(5,475)
Movement in year	153,380	47,249
At 31 December	274,632	154,472

21. Cash and cash equivalents

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Cash at bank and on hand	437,997	1,445,416	234,135	368,259
Short – term deposits	3,694,076	3,261,542	3,694,076	3,261,542
At 31 December	4,132,073	4,706,958	3,928,211	3,629,801

22. Financial instruments by category and credit quality

By category:

	2015		2014	
Group	Available-for-sale financial assets £	Loans and receivables £	Available-for-sale financial assets £	Loans and receivables £
Assets per Statement of Financial Position at 31 December				
Available-for-sale financial assets	227,082	–	227,082	–
Trade and other receivables excluding pre-payments	–	2,114,665	–	1,586,626
Deposits and guarantees	–	152,315	–	181,483
Cash and cash equivalents	–	4,132,073	–	4,706,958
Total	227,082	6,399,053	227,082	6,475,067

	2015		2014	
Company	Available-for-sale financial assets £	Loans and receivables £	Available-for-sale financial assets £	Loans and receivables £
Assets per Statement of Financial Position at 31 December				
Available-for-sale financial assets	227,082	–	227,082	–
Trade and other receivables excluding pre-payments	–	1,962,351	–	2,369,731
Cash and cash equivalents	–	3,928,211	–	3,629,801
Total	227,082	5,890,562	227,082	5,999,532

By quality:

Trade receivables:

Trade receivables include VAT due from Turkish and UK governments of £56,121 (2014: £66,627) and receivables from exploration partners of £538,796 (2014: £1,462,653). None of the exploration partners have external credit ratings.

22. Financial instruments by category and credit quality (continued)

External ratings of cash at bank and short-term deposits:

	2015 £	2014 £
A	3,955,281	401,121
Ba, Bb & Bbb	54,514	4,274,757
Other	112,009	10,370
Cash-in-hand	10,269	20,710
Total	4,132,073	4,706,958

Currency Risk:

The Group's exposure to foreign currency is as follows:

	2015			2014		
	US\$	Euro	Turkish Lira	US\$	Euro	Turkish Lira
Trade and other receivables	–	1,591,540	3,083,931	–	1,214,253	1,688,877
Cash and cash equivalents	3,038,959	6,344	14,788	1,426,753	24,126	57,448
Trade and other payables	–	–	(52,759)	–	(44,220)	(1,718,702)
Net exposure	3,038,959	1,597,884	3,045,960	1,426,753	1,194,159	27,623
The following year end spot rates to sterling have been applied	1.482	1.361	4.329	1.561	1.541	3.632

A 20% fluctuation in the sterling exchange rate would have affected profit and loss as follows:

	£	£	£	£	£	£
– due to the strengthening of sterling	759,740	294,041	178,755	240,697	219,434	1,595
– due to the weakening of sterling	(506,493)	(196,027)	(119,170)	(160,464)	(146,289)	(1,064)

The Company had no foreign currency denominated receivables or payables in 2015 (2014: nil). Foreign currency cash and deposits amounted to US\$2,999,597 (2014: 893,152). A strengthening/weakening of the Sterling/US\$ exchange rate would result in a movement of £749,899 and £(499,933) respectively (2014: £223,288, £(148,859) in profit and loss.

The high amount of US\$ currency at 31 December 2015 arises due to the receipt at end December of the proceeds from the sale of the Öksüt royalty. A significant amount of this has been converted into sterling since the year-end thus mitigating the risk from adverse currency movements.

23. Share Capital and Share Premium

Group and Company	Number of shares	Ordinary shares £	Share premium £	Total £
At 31 December 2014 and 2015	467,311,276	4,673,113	20,426,431	25,099,544

No shares were issued in 2014 or 2015.

Notes to the financial statements (continued)

24. Share options and share warrants

The Directors have discretion to grant options to Group employees to subscribe for Ordinary Shares up to a maximum of 10% of the Company's issued share capital. The Company runs two schemes, one is the Enterprise Management Incentive scheme and the other is the Unapproved Share Option scheme.

As at 31 December 2015, the Company had in issue 18,321,144 (2014: 18,171,144) options to Group employees granted under the Enterprise Management Incentive scheme and 6,145,000 (2014: 6,145,000) to Group employees granted under the unapproved scheme. The options under both schemes vest over one to three years from the grant date and lapse on the tenth anniversary of the grant date or on the holder ceasing to be an employee of the Company.

The granting of the share options and warrants has been accounted for as equity-settled share-based payment transactions. The total expenses recognised in the loss for the year arising from share-based payments was £36,062 (2014: £10,092). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

Group and Company	2015		2014	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at 1 January	24,316,144	3.2	20,720,471	4.1
Cancelled	–	–	(2,388,327)	8.2
Granted	150,000	1.5	5,984,000	2.7
Outstanding at 31 December	24,466,144	3.2	24,316,144	3.2
Exercisable at 31st December	20,226,810	3.4	18,132,144	3.6

The weighted average contractual life of the outstanding options at 31 December 2015 was 5.0 years (2014: 5.9 years).

Details of share options outstanding at 31 December 2015 are as follows:

Life of option		Outstanding 31 December 2015	Option price pence
Start date	Expiry date		
30 April 2009	30 April 2019	15,373,500	3.0
28 September 2009	28 September 2019	41,500	4.3
1 June 2011	1 June 2021	2,617,144	7.0
12 March 2013	12 March 2023	300,000	5.3
5 December 2014	5 December 2024	5,984,000	2.7
4 June 2015	4 June 2025	150,000	1.5
Total options outstanding		24,466,144	3.2

During the year 150,000 share options were issued at a price of 1.53p per option share. The fair value was 0.63p per option share based on a price volatility of 39%, a risk-free interest rate of 3% and a 10 year life.

No share warrants were issued or exercised during the year and 2,072,130 were forfeited. The number of share warrants outstanding at 31 December 2015 was nil (2014: 2,072,130).

The fair value of the share options and share warrants has been measured by use of the Black-Scholes pricing model. The expected volatility was determined by calculating the historical volatility of the Company's share price over the last two years.

25. Other reserves

Group	Merger reserve £	Share option reserve £	Translation reserve £	Total £
At 1 January 2014	(485,400)	766,658	(912,559)	(631,301)
Share based payments	–	10,092	–	10,092
Share options exercised	–	(92,878)	–	(92,878)
Exchange differences from investments in equity-accounted associates	–	–	104,711	104,711
Other comprehensive interest	–	–	(33,929)	(33,929)
At 31 December 2014	(485,400)	683,872	(841,777)	(643,305)
Share based payments	–	36,062	–	36,062
Share options cancelled	–	(10,635)	–	(10,635)
Exchange differences from investments in equity-accounted associates	–	–	246,457	246,457
Other comprehensive interest	–	–	245,707	245,707
At 31 December 2015	(485,400)	709,299	(349,613)	(125,714)

The Merger reserve arose on consolidation as a result of the merger accounting for the acquisition of the entire issued share capital of Stratex Exploration Limited during 2005 and represents the difference between the nominal value of shares issued for the acquisition and that of the share capital and share premium account of Stratex Exploration Limited.

The Translation reserve comprises the exchange differences from translating the net investment in foreign entities and of monetary items receivable from subsidiaries for which settlement is neither planned nor likely in the foreseeable future (see Note 2.3).

26. Non-controlling interests

Effect on equity of transactions with Non-controlling interests:

Balance attributable to NCI	Goldstone Resources Limited £	Stratex EMC SA £	Total £
Initial investment	2,486,921	3,562	2,490,483
Losses for the period	(101,796)	(3,948)	(105,744)
Currency movements	61,328	58	61,386
Provision for losses	–	328	328
As at 31 December 2014	2,446,453	–	2,446,453
Prior year restatement	–	133,538	133,538
Losses for the period	(302,051)	(66,993)	(369,044)
Currency movements	77,900	(37,115)	40,785
As at 31 December 2015	2,222,302	29,430	2,251,732

Goldstone Resources Limited, which is 33.45% owned by Stratex International PLC has been treated as a controlled subsidiary as Stratex is deemed to have control under the provisions of International Finance Reporting Standard 10.

Notes to the financial statements (continued)

26. Non-controlling interests (continued)

Summarised unaudited financial information in relation to Goldstone Resources Limited is presented below:

At 31 December	2015 £	2014 £
Revenue	–	–
Administration expenses	(456,643)	(156,312)
Finance income	2,772	3,350
Loss before tax	(453,871)	(152,962)
Income tax	–	–
Loss after tax	(453,871)	(152,962)
Attributable to non-controlling interests	(302,051)	(101,796)

	£	£
Intangible Assets	3,184,448	2,682,828
Furniture, fixtures and fittings	6,148	13,779
Current assets	169,539	1,012,109
Current liabilities	(20,837)	(32,603)
Non-current liabilities	–	–
Net assets	3,339,298	3,676,113
Attributable to non-controlling interests	2,222,302	2,446,453

	£	£
Summarised cash flow information for period since acquisition:		
Cash flows from operating activities	(798,772)	(230,997)
Cash flows from investing activities	(527,442)	(59,973)
Net decrease in cash and cash equivalents	(1,326,214)	(290,970)

27. Trade and other payables

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade payables	70,963	223,576	56,054	31,890
Amounts due to subsidiary company	–	–	591,681	589,178
Amounts due to related parties and employees	18,268	428,692	18,268	15,220
Social security and other taxes	27,449	224,611	18,299	195,991
Accrued expenses	268,250	185,979	144,123	65,098
At 31 December	384,930	1,062,858	828,425	897,377

All financial liabilities, except those for accrued expenses, are stated where material at amortised cost.

28. Related party transactions

Transactions with operational partners:

	Transaction value for the year ended 31 December		Receivable/(Payable) as at 31 December	
	2015 £	2014 £	2015 £	2014 £
Centerra Exploration B.V.	2,099	164,028	–	(75,306)
Lodos Maden Yatirim Sanayi ve Ticaret A.Ş.	–	8,760	16,847	114,108
Antofagasta Minerals S.A.	14,669	7,804	–	(318,612)
Anadolu Export Maden Sanayi ve Ticaret A.Ş.	–	–	14,489	–
Energy and Mining Corporation SA	272,727	418,347	1,169,820	897,093

Centerra Exploration B.V. , Antofagasta Minerals S.A., Lodos Maden Yatirim Sanayii ve Ticaret A.Ş and Anadolu Export Maden Sanayi ve Ticaret A.Ş. are operational partners for certain Turkish projects and Energy and Mining Corporation SA is the operational partner for the Dalafin project in Senegal.

Transactions with Director:

	Transaction value for the year ended 31 December		Payable as at 31 December	
	2015 £	2014 £	2015 £	2014 £
Bob Foster Associates Limited	(2,859)	(1,115)	239	455

Bob Foster Associates Limited provides administration services to the Company and Dr. Bob Foster is a director of both companies.

Transactions with non-controlling interests:

There have been no transactions with non-controlling interests during the year.

Parent company and ultimate controlling party

During the year the Company provided funds amounting to £1,388,756 (2014: £3,833,866) to its subsidiary companies for the exploration activities and charged its subsidiary companies £89,206 (2014: £172,000) for the provision of management services. The total receivable from subsidiaries at 31 December 2015 was £14,993,252 (2014: £12,969,774).

Notes to the financial statements (continued)

29. Cash flow from operating activities

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Profit/(loss) before income tax	(790,936)	(2,580,713)	2,377,786	(10,738,460)
Adjustments for:				
Issue of share options	36,062	10,092	36,062	10,092
Depreciation	44,015	100,982	19,013	19,889
Impairment write-offs on intangible assets and held-for-sale assets	–	510,035	–	–
Fixed asset write-offs	688	–	361	–
Share of losses of associates	1,368,351	85,586	–	–
Net gain on sale of related companies	70,818	(204,460)	–	–
Goodwill write-off	–	926,546	–	–
Change in value of deferred consideration	–	(1,140,064)	–	(1,140,064)
Increase in Employee termination benefit fund	707	1,641	–	–
Other Income	(3,059,498)	(44,727)	(3,051,147)	(41,377)
Interest income on intercompany indebtedness	–	–	(684,201)	(581,137)
Intercompany management fees	–	–	(89,206)	(172,000)
Write-off intercompany balances	–	–	127,427	11,353,054
Foreign exchange movements on operating activities	420,393	(133,062)	29,481	–
Changes in working capital, excluding the effects of exchange differences on consolidation:				
Trade and other receivables	(186,854)	(534,962)	(7,417)	(7,394)
Trade and other payables	(677,928)	(70,151)	(71,455)	213,750
Cash used in operations	(2,774,182)	(3,073,257)	(1,313,296)	(1,083,647)

30. Contingencies and capital commitments

Various warranties have been given under the Muratdere Madencilik Sanayi ve Ticaret A.Ş. sale agreement and the shareholders agreement with Thani Emirates Resource Holdings Limited, but no issues have arisen to date.

31. Lease commitments

There are no future commitments under Finance or Operating leases.

32. Parent company Statement of Comprehensive Income

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements.

Company	2015 £	2014 £
At 1 January	(5,024,466)	5,621,116
Profit/(Loss) for the year	2,377,786	(10,738,460)
Share options exercised and cancelled	10,635	92,878
At 31 December	(2,636,045)	(5,024,466)

33. Events after the reporting period

Madencilik Sanayi ve Ticaret AŞ ("Muratdere"): on 22nd February 2016, Lodos Maden Yatirim Sanayi ve Ticaret A.Ş. agreed to accept ordinary shares in Muratdere in settlement of the amounts owed. As a result Stratex's shareholder interest in Muratdere is reduced to 14.87% from 30%. If this change had happened on 1st January 2015, the impact on the full year results for 2015 would have been an additional loss of £130,604.

Thani Stratex Resources Limited ("TSRL"): on 1st February 2016, Stratex and Thani Emirates Resource Holdings agreed to accept ordinary shares in TSRL in settlement of amounts owed. The shares were issued at US\$2 per share. Stratex's indebtedness amounted to US\$ 264,378. As a result Stratex's shareholder interest in TSRL is reduced to 38.4% from 40%. If this change had happened on 1st January 2015, the impact on the full year results for 2015 would have been an additional loss of £2,080.

Notice of annual general meeting

The Annual General Meeting of Stratex International Plc (the “Company”) will be held at the offices of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU on 3 May 2016, at 3:00pm. The business of the meeting will be to consider and, if thought fit, pass the following Resolutions:

Ordinary resolutions

1. To receive the Directors’ Report and Financial Statements for the year ended 31 December 2015.
2. To re-elect Peter Addison who has retired by rotation.
3. To re-elect Christopher Worcester, who was appointed during the period and retires in accordance with the Company’s Articles of Association and, being eligible, offers himself for re-appointment.
4. To re-appoint PKF Littlejohn LLP as auditors and to authorise the Directors to fix their remuneration.
5. THAT, in addition to the existing authorities, and in accordance with section 551 of the Companies Act 2006 (the “Act”) the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or convert any securities into rights (“Rights”) up to an aggregate nominal amount of £1,000,000 and such power shall expire (unless previously revoked, varied or extended by the Company at a general meeting) at the conclusion of the next Annual General Meeting, save that the Company may before such expiry make an offer or agreement which would or might require shares or Rights to be granted in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Special resolution

6. THAT, in addition to the existing authorities, the Directors be and they are hereby empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by the previous resolution as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,000,000 and such power shall expire (unless previously revoked, varied or extended by the Company at a general meeting) at the conclusion of the next Annual General Meeting, save that the Company may before such expiry make an offer or agreement which would or might require such equity securities to be granted in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

P C Ashwood

Company Secretary

180 Piccadilly, London,
W1J 9HF

8 March 2016

Notes:

Eligibility to attend and vote

1. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes a member may cast), members must be entered on the Register of Members of the Company by 3:00pm on 28 April 2016.

Appointment of proxies

2. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of

how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be completed and signed and sent or delivered to the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL, to be received by Share Registrars Limited no later than 3.00pm on 28 April. Proxy forms may also be faxed to 01252 719232 or emailed to proxies@shareregistrars.uk.com
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above.

Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL.

- In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by Share Registrars Limited no later than 3.00pm on Thursday 28 April.
- If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

11. Except as provided above, members who have general queries about the Meeting should contact Share Registrars Limited on 01252 821390 or by email enquiries@shareregistrars.uk.com (no other methods of communication will be accepted).
12. You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Documents available for inspection

13. The following documents will be available for inspection during normal business hours at the Company's registered office up until the date of the Annual General Meeting and at the place of the meeting from 9.30am on 3 May 2016 until the end of the meeting:
 - the auditor's consolidated accounts of the Company for the financial period ended 31 December 2015; and
 - the Register of Directors' interests in the capital of the Company and copies of the service contracts of the Directors of the Company.



Advisors

Directors

C R J Hall
Dr R P Foster
P C Ashwood
E K Priestley
G P L Addison
C A Worcester

Secretary

P C Ashwood

Company number

05601091

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