

Registered in England and Wales number 06573154

Frontier Resources International Plc

Group Annual Report and Financial Statements Year Ended 31 December 2015

FRIDAY



L58CTX7K

LD4

03/06/2016

#37

COMPANIES HOUSE

Frontier Resources International Plc

Annual Report and Financial Statements for the Year Ended 31 December 2015

Contents

Pages

1	Officers and advisors
3	Chairman's statement
4	Strategic report
7	Corporate governance statement
8	Directors' report
11	Statement of directors' responsibilities
12	Independent auditors' report
14	Consolidated statement of comprehensive income
15	Consolidated statement of financial position
16	Company statement of financial position
17	Consolidated statement of changes in equity
18	Company statement of changes in equity
19	Consolidated statement of cash flows
20	Company statement of cash flows
21	Notes to the financial statements

Frontier Resources International Plc

Officers and Advisors

Directors: Adam Reynolds (Chairman)
Neil Herbert (Non-Executive Director)
Barbara Spurrier (Executive Director)

Company secretary and registered office: Barbara Spurrier
11 Staple Court
Staple Inn Buildings
London WC1V 7QH

Nominated advisor: Beaumont Cornish Limited
2nd Floor, Bowman House
29 Wilson Street
London EC2M 2SJ

Brokers: Beaufort Securities Limited
131 Finsbury Pavement
London EC2A 1NT

Bankers: Barclays Bank plc
Barclays Corporate
1 Churchill Place
London E14 5HP

Auditors: UHY Hacker Young
Quadrant House
4 Thomas More Street
London E1W 1YW

Solicitors: Marriott Harrison LLP
11 Staple Inn Court
London WC1V 7QH

Registrars: Neville Registrars
Neville House
18 Laurel Lane
Halesowen B63 3DA

Company Number: 06573154

Frontier Resources International Plc

Officers and Advisors

Directors

Adam Reynolds – Non-Executive Chairman

Mr Reynolds is a former stockbroker with over 35 years' experience within the UK financial services sector. In 2000, Mr Reynolds founded Hansard Group plc which was admitted to trading on AIM in 2000. Mr Reynolds is currently a director of several AIM traded companies: he is a non-executive director of EKF Diagnostics Holdings plc, a point-of-care, central laboratory, and molecular diagnostics company, Orogen Gold Plc, a gold exploration company, Premaitha Health Plc, a company involved in the development of prenatal screening devices, OptiBiotix Plc and New World Oil Plc. He is also a director of Autoclenz Group Limited and Reyco Limited.

Neil Herbert, Non-Executive Director

Neil Herbert is a qualified certified accountant (FCCA) with over 23 years of experience in finance and over 16 years of experience in natural resources.

Mr Herbert retired as Co-Chairman and Managing Director of energy focused investor Polo Resources Limited in 2013. Under his stewardship the company paid \$185 million in special dividends following asset sales. Prior to this he was Finance Director of highly successful exploration investment group Galahad Gold PLC and from which Neil also became Finance Director of its most successful investment which was acquired in 2007. He has a wealth of experience as both an executive and non-executive director having managed and advised companies through asset acquisitions, disposals and company takeovers

Barbara Spurrier, Chief Financial Officer and Company Secretary

Mrs Spurrier is a qualified certified accountant (FCCA) with over 25 years' finance experience in numerous sectors including Technology, Oil & Gas and Food. Recently she successfully concluded 2 IPOs onto LSE/AIM. As CFO of a fast growing online technology company she was an integral part of the successful IPO onto AIM, in addition to the establishment of a US subsidiary and the conversion to the International Financial Reporting Standards (IFRS) of the company accounts, she has overseen the application of accounting principles to ensure IFRS compliance. She was a main board director of 2 AIM listed Plc's, heading the revenue recognition committee of the board for one of these companies. Alongside her fund raising and IFRS experience her expertise includes financial and cash management, profit optimisation and the implementation of long term strategic objectives.

Frontier Resources International Plc

Chairman's Statement

2015 was without doubt a very challenging year for the Company. Volatility in global financial markets and the steep decline in oil prices made it exceptionally difficult for the Company to progress its farm-out discussions in respect of its then owned portfolio of oil exploration assets in Africa and the Middle East, and particularly Oman or secure new funding for its oil exploration activities. By the end of the year, the Group had been unable to conclude a farm-out. As there was no immediate prospect of a material improvement in market conditions in the oil sector or investor sentiment, the Board concluded that it should pursue alternative options for the future funding and development of the Group, including the disposal of the Group's oil exploration projects and the investment in new projects outside of the oil sector, which culminated in the substantial changes announced and completed after the year end.

In February 2016, the Company completed a direct subscription with existing and new investors which raised £1,425,000 before expenses, to be used to provide working capital for the Company and to support the investment in new projects.

To support this new strategic direction for the Company, there were a number of proposed changes to the Board. On completion of the subscription, I joined the Board as Chairman and Jack Keyes and John O'Donovan both ceased to be directors.

As stated at the time of the subscription, the Board had resolved not to provide any further capital to the Company's oil exploration projects, the future of which the Board intended to consider following completion of the subscription. Following completion of that review and as announced on 3 March 2016, the Company agreed the sale of the entire issued share capital of Frontier Resources Oman Limited ("Frontier Oman") to Jack Keyes, the former chief executive officer of the Company, which was approved by Shareholders on 22 March 2016. The disposal of Frontier Oman, which held the exploration and production sharing agreement between the Government of the Sultanate of Oman and Frontier Oman in respect of block 38, meant that the Company was able to make a clean break from its activities in Oman and enabled the Board to focus on new projects. Following completion of the disposal, the Company now has no further liabilities either to Jack Keyes or to Frontier Oman.

At the same time, given the disposal of the Group's activities in Oman, and the proposed cessation of activities in Zambia and Namibia as described further below, the Company also agreed the sale of the entire issued share capital of Frontier Resources International Inc ("FRII"), to Jack Keyes. FRII had historically provided administrative and technical support for the Group's oil exploration projects and had no licence interests.

The Board also resolved to cease the Group's remaining activities in Namibia and Zambia, and commenced the implementation of the necessary steps to wind-up, as soon as possible, Frontier Resources Namibia Limited, the holder of the expired exploration licence in Namibia and Frontier Zambia Resources Limited, the holder of the exploration licence in Zambia.

Following these disposals, with effect from 23 March 2016, the Company became an AIM Rule 15 cash shell, as a result of which it must make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 (including seeking re-admission as an Investing Company (as defined under the AIM Rules)) within six months, failing which the Exchange will suspend trading in the Ordinary Shares pursuant to AIM Rule 40.

In conclusion, the past year has been a period of challenge and substantial change for Frontier, but the Board believes that the Company now has the funds and opportunity to re-build shareholder value. The Board's strategy is to identify a suitable acquisition or acquisitions in a new sector, which will satisfy the requirements of AIM Rule 15, and we look forward to providing shareholders with a further update in due course.

Adam Reynolds
Chairman
29 April 2016

STRATEGIC REVIEW

Financial performance

During the year, the oil industry experienced volatility in the global financial markets and a steep decline in oil prices. With no immediate prospect of a material improvement in market conditions in the oil sector or investor sentiment, the board agreed during the year to pursue alternative options for the future funding and development of the Group, including the disposal of the Group's existing oil exploration projects and the investment in new projects outside of the oil sector. In accordance with AIM Rule 15, the Company following the year end ceased to own, control or conduct all, of its existing trading business, activities or assets and has therefore become an AIM Rule 15 cash shell, pursuant to which it must make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 within six months of the disposal of the remaining operating subsidiaries on 22 March 2016.

The Group's loss for the year after taxation was \$3,101,000 (2014: \$1,225,000). The basic and diluted loss per share was 1.26 cents (2014: 0.92 cents). Losses for the year are due in the main to exceptional costs, asset impairments, of \$2,241,000. 2014 losses were lower primarily due to the absence of exceptional costs.

The Group's net liabilities at the end of the year were \$137,000 (2014: net assets \$2,146,000). Net cash used in operations was \$494,000 (2014: \$454,000) for the year. Cash invested in exploration was \$91,000 (2014: \$836,000) for the year.

During 2015, the Company raised \$470,000 (\$1,141,000) by private placement and subscriptions net of costs. Note 20 to the financial statements provides further details.

At the year end the Group had cash balances of \$26,000 (2014: \$165,000).

Operational performance

Following the year end the Company has sold or abandoned its remaining oil explorations projects.

Oman

As at 31 December 2015, the subsidiary company, Frontier Resources Oman Limited, was held for sale.

Namibia

Following the year end the Company abandoned its operation in Namibia. The subsidiary company, Frontier Resources Namibia Limited, ceased trading on 11 March 2016.

Zambia

In March 2015 the initial four-year exploration licence, which was granted on 25 March 2011 and held by the Company's wholly-owned subsidiary company, Frontier Resources Zambia Limited, expired. Following the year end, Frontier Resources Zambia Limited subsequently decided not to renew the licence for another three years and ceased trading on 11 March 2016.

Principal risks and uncertainties

Principal risks and uncertainties are described below:

Going concern

The accounts have been prepared on a going concern basis. The Group made a loss of \$3,101,000 during the year ended 31 December 2015. At the year end the Group had cash balances of \$26,000 and net liabilities of \$137,000.

As the directors believed no future funding was likely to be available for the Group's early stage oil and gas exploration projects, the directors agreed to pursue an alternative strategy for the Company and either dispose (if possible) or abandon its oil and gas projects. As at 31 December 2015, the Company impaired all oil and gas exploration assets held.

Frontier Resources International Plc

Strategic Report

Following the year end, the Company completed the disposal of its Oman project and abandoned its Zambia and Namibia projects. As a result, the Group no longer has any operating activities and has become a cash shell under the AIM Rules. The Group has prepared cash flow projections reflecting the requirements of the Group as a cash shell. The current cash balances will provide sufficient working capital to fund the Group's existing needs for the next 12 months prior to the Company making any further investments or acquisitions. The operations of the Group are currently being financed from funds which the Company raises from private and public placing of its shares. As the Group has no operating business, it is reliant on acquiring a new target business.

In order for the Company to make an acquisition or acquisitions of a new target business which constitutes a reverse takeover as required by the AIM Rules in order to maintain the admission of the Company's shares to trading on AIM, the Company will need to raise additional funds in due course. After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that such funding would be available and that the Group would have sufficient cash to fund any planned new strategic activities and to continue its operations for the foreseeable future, and at least for one year from the date of approval of these financial statements.

The financial statements have, therefore, been prepared on the going concern basis. The financial statements do not contain any adjustments relating to the recoverability and classification of recorded assets that might be necessary should the Company and Group not be able to continue as a going concern.

New projects

The Company is seeking to acquire a target company for a reverse takeover and is confident it will meet the requirements under AIM rule 14 in the coming year.

Risks

The risk to the Company is in finding the right target business to acquire. The Company is an AIM Rule 15 cash shell, pursuant to which it must make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 (including seeking re-admission as an Investing Company (as defined under the AIM Rules)) on or before 23 September 2016, failing which the Exchange will suspend trading in the Ordinary Shares pursuant to AIM Rule 40.

Key performance indicators

At this stage in the Group's development, the key performance indicators that the directors monitor on a regular basis are management of liquid resources (cash flows and bank balances) and also general administrative expenses, which are tightly controlled.

The share price movement during the period 1 January 2015 to 31 December 2015 ranged from a high of 0.95p to a low of 0.08p. The share price at close on 31 December 2015 was 0.1p.

Future outlook

As at the date of approval of the Financial Statements to 31 December 2015, in accordance with AIM Rule 15, the Company ceased to own, control or conduct all, of its existing trading business, activities or assets and has become an AIM Rule 15 cash shell, pursuant to which it must make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 within six months.

Events after the reporting period are described in Note 27 to the financial statements.

On behalf of the Board



Barbara Spurrier

Frontier Resources International Plc

Strategic Report

Chief Financial Officer

29 April 2016

Frontier Resources International Plc

Corporate Governance Statement

It is the Board's policy to support the principle of good corporate governance and the code of best practice as set out in the Financial Reporting Council's UK Governance Code ('the Code') which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. The Company is not required and does not fully comply with the Code; however, it is recommended best practice to do so. The Board acknowledge the importance of the Code and to apply the principles outlined in the Code for corporate governance insofar as it is practical and appropriate for the Company's size.

The Group is controlled by a Board currently consisting of two non-executive directors and one executive director. There is a clear division of responsibilities between the chairman and the executive officer and the Board considers the non-executive director to be independent of management.

The directors evaluate the balance of skills, knowledge and experience on the Board when defining the role and capabilities required for new appointments.

The Board is responsible for the Group's corporate strategy, monitoring financial performance, approving capital expenditure, treasury and risk management policies. The Board meets regularly with Board meetings occurring as required (some meetings were conducted by conference call). A schedule is circulated to the directors preceding a Board meeting that consists of an agenda, matters for approval and management accounts. Formal minutes of Board meetings are produced and circulated for comment and formally approved.

Since admission to AIM in July 2013, the Board is supported by a remuneration committee, an audit committee and a nomination committee as suggested by the Code.

The Code requires the Board to review the need for an internal audit function from time to time. The Company does not consider that an internal audit function is appropriate given the current size of the business and structure of its operations.

The Board is responsible for the Group's system of internal control and reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute insurance against material misstatement or loss. The system of internal financial control comprises of controls established to provide reasonable assurance of:

- i) The safeguarding of assets against unauthorised use or disposal and;
- ii) The reliability of financial information used within the business and for publication and the maintenance of adequate accounting records.

In addition, the key procedures on the internal financial control of the Group are as follows:

- i) The Board reviews and approves budgets and monitors performance against those budgets on a monthly basis with any variance being fully investigated and;
- ii) The Group has clearly defined reporting and authorisation procedures relating to the key financial areas.

The Annual General Meeting is the principal forum for dialogue with shareholders; the Company also has a dedicated electronic communication line specifically for shareholders' enquiries.

Frontier Resources International Plc

Directors' Report

The directors of Frontier Resources International Plc ("Frontier" or "the Company") are pleased to present their report together with the audited financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the Group was that of oil and gas exploration during the year to 31 December 2015. Following the completion of the Group's disposal of its interests in Frontier Oman and Frontier Resources International Inc. on 22 March 2016, and the cessation of activities in Zambia and Namibia, as notified to shareholders on 3 March 2016, the Company has ceased to own, control or conduct all or substantially all its existing trading business, activities or assets and is now an AIM Rule 15 cash shell.

Results and dividends

The Group's loss for the year after taxation was \$3,101,000 (2014: \$1,225,000). This results in Group retained losses carried forward of \$9,348,000 (2014: \$6,247,000).

The directors do not recommend payment of any dividend (2014: nil).

Political and charitable contributions

The Group made no charitable or political contributions during the year (2014: nil).

Financial instruments

Details of the use of financial instruments by the Group are in note 23 to the financial statements.

Events after reporting date

On 6 January 2016, the Board implemented a capital reorganisation of the Company's shares. Each existing ordinary shares of 0.1p each was subdivided and re-designated into new ordinary shares of 0.01p each, and one deferred share of 0.09p of the Company, and the Company adopted new articles of association. The new ordinary shares have the same rights as those accruing under the ordinary shares held prior to the reorganisation.

On 17 February 2016, the Company issued 4,750,000,000 new ordinary shares of 0.01p as fully paid up with existing and new investors at a placing price of 0.03p per ordinary share. In addition, the Company issued 361,999,056 warrants to subscribe for new ordinary shares. On the same day, Adam Reynolds was appointed as a director and Chairman of the Company and both Jack Keyes and John O'Donovan resigned as directors of the Company with immediate effect.

On 2 March 2016, the Board of the Company, subject to the approval of shareholders, conditionally agreed to the sale of its entire interests in Frontier Resources Oman Limited and Frontier Resources International Inc to Mr Jack Keyes, the former chief executive of the Company for a consideration of £1 and deferred consideration, which is contingent on the achievement of certain targets. The sales were approved by shareholders on 22 March 2016 and completed on 23 March 2016, following which, Jack Keyes' 750,000 share options at an exercise price of 5.5p were then cancelled.

On the 2 March 2016 the Company agreed to liquidate their subsidiaries, Frontier Resources Zambia Limited and Frontier Resources Namibia Limited. Both companies ceased trading on 11 March 2016

Frontier Resources International Plc

Directors' Report

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in Note 20.

The Company has one class of ordinary share which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of share based payments are set out in Note 9 to the financial statements.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Substantial shareholders

The Company has been notified that as at 24 March 2016 the following interests of 3% or more were held in its Ordinary share capital:

	Number of Ordinary Shares	%
Christopher Potts	473,333,333	9.26
Neil Herbert	358,007,904	7.00
Paul Levenson	333,000,000	6.51
Adam Reynolds	173,333,333	3.39

Share option scheme

In order to provide incentive for the management and key employees of the Group the directors have set up a share option scheme. Details of the scheme are set out in Note 9.

Information to shareholders – website

The Company maintains a website (www.friplc.com) to facilitate the provision of information to both current and potential investors.

Directors

The directors who held office during the year and subsequently were as follows:

	Date appointed	Date resigned
Neil Herbert	13 November 2014	
Jack Keyes	29 September 2008	17 February 2016
Barbara Spurrier	6 March 2013	
Adam Reynolds	17 February 2016	
John O'Donovan	22 April 2008	17 February 2016

With regard to the appointment and replacement of Directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolution of the shareholders.

Frontier Resources International Plc

Directors' Report

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Directors' interests

The directors who held office at 31 December 2015 and 31 December 2014 had the following interests in the ordinary shares of the Company:

	31 December 2015			31 December 2014		
	Ordinary shares of £0.001	%	Share options / warrants of £0.001	Ordinary shares of £0.01	%	Share options of £0.01
Neil Herbert	24,674,571	6.8	12,500,000	12,500,000	7.5	12,500,000
Jack Keyes	54,220,707	15.0	750,000	32,693,671	19.8	750,000
John O'Donovan	4,763,118	1.3	3,000,000	2,600,100	1.6	3,000,000
Barbara Spurrier	5,756,118	1.5	2,000,000	41,833	0.03	2,000,000

Directors' remuneration

Salary, fees and benefits paid to the Executive and Non-Executive directors who held office in the year ended 31 December 2015 are set out below:

	Salary & fees \$'000	Share-based payments \$'000	Benefits in Kind \$'000	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Neil Herbert	24	-	-	24	12
Jack Keyes	-	-	20	20	222
John O'Donovan	9	-	-	9	16
Barbara Spurrier ¹	44	22	-	66	171
Ric Piper	-	-	-	-	71
Andrew Grosse	-	-	-	-	2
Total	77	22	20	119	494

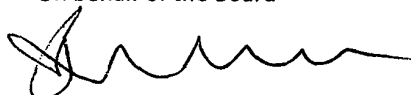
Jack Keyes received private health cover benefit.

¹ This amount excludes the reversal of unpaid accrued emoluments of \$61,812 written back to income statement during the year.

During the year, the Company issued 5,031,714 new ordinary shares to Mr Herbert in lieu of £17,661, fees due under his letter of appointment, 14,127,036 new ordinary shares to Mr Jack Keyes in settlement of the director's debt and 2,857,143 new ordinary share were issued to Mr O'Donovan in lieu of £10,000 fees due, by the Company, under his letter of appointment. In addition, the Company issued 1,428,571 new ordinary shares to Mrs Spurrier in lieu of £5,000 of accrued unpaid remuneration.

The Directors voluntarily agreed unpaid accrued emoluments were to be written off during the year. There are no directors' emoluments outstanding as at 31 December 2015.

On behalf of the Board



Barbara Spurrier
Chief Financial Officer

29 April 2016

Frontier Resources International Plc

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors are also responsible for preparing the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that show and explain the Company's transactions disclose with reasonable accuracy at any time the financial position of the Company and the Group, and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Group's website (www.friplc.com) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of disclosure to the auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

UHY Hacker Young have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



Barbara Spurrier
Chief Financial Officer

29 April 2016

Frontier Resources International Plc

Independent Auditor's Report

Independent auditor's report to the members of Frontier Resources International Plc

We have audited the Group and Parent Company financial statements of Frontier Resources International plc for the year ended 31 December 2015 (the "financial statements"), which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows, together with 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, as 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 part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully under 'Statement of Directors' Responsibilities' on page 11 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the Group's affairs.

Our responsibility is to audit the financial statements in accordance with relevant law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 and Directors' Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or

Frontier Resources International Plc

Independent Auditor's Report

- 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.



Daniel Hutson (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

29 April 2016

Frontier Resources International Plc

Consolidated statement of comprehensive income For the year ended 31 December 2015

	Notes	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(207)	(696)
Share-based payments	9	(32)	(106)
Operating loss	6	(239)	(802)
Finance costs	10	(7)	(2)
Loss before tax		(246)	(804)
Taxation	11	-	-
Loss for the year from continuing operations		(246)	(804)
Discontinued operations			
Loss for the year from discontinued operations	5	(2,855)	(421)
Loss for the financial year		(3,101)	(1,225)
Exchange differences arising on translation of foreign operations		(181)	(52)
Total comprehensive loss for the financial year		(3,282)	(1,277)
Profit/(loss) per share (cents)			
Basic and diluted earnings per share			
From continuing operations	12	(0.1c)	(0.61c)
From discontinued operations	12	(1.16c)	(0.32c)
	12	(1.26c)	(0.92c)

The results reflected above relate to continuing and discontinued activities.

The loss for the current and prior years and the total comprehensive loss for the current and prior years are wholly attributable to equity holders of the Parent Company, Frontier Resources International plc.

Frontier Resources International Plc

Consolidated statement of financial position
For the year ended 31 December 2015

	Notes	31 December 2015 \$'000	31 December 2014 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	-	2
Exploration and evaluation assets	14	-	3,012
		-	3,014
Current assets			
Trade and other receivables	15	76	49
Cash and cash equivalents		26	165
		102	214
Assets classified as held for sale	5	699	-
TOTAL ASSETS		801	3,228
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	20	636	2,652
Deferred Shares	20	2,323	-
Share premium	20	5,741	5,081
Share-based payment reserve		522	490
Foreign exchange reserve		(11)	170
Retained losses		(9,348)	(6,247)
TOTAL EQUITY		(137)	2,146
Current liabilities			
Trade and other payables	16	203	1,082
		203	1,082
Liabilities classified as held for sale	5	735	-
TOTAL EQUITY AND LIABILITIES		801	3,228

These financial statements were approved and authorised for issue by the board of directors on 29 April 2016 and were signed on its behalf by:



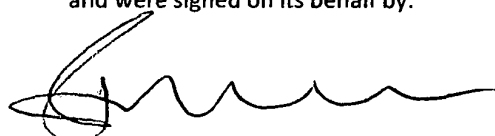
Barbara Spurrier
Chief Financial Officer
Company Registration Number: 06573154

Frontier Resources International Plc

Company statement of financial position For the year ended 31 December 2015

	Notes	31 December 2015 \$'000	31 December 2014 \$'000
ASSETS			
Non-current assets			
Investments in subsidiaries	13	-	2,724
Current assets			
Trade and other receivables	15	76	30
Cash and cash equivalents		26	152
		102	182
TOTAL ASSETS		102	2,906
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	20	636	2,652
Deferred Shares	20	2,323	-
Share premium	20	5,741	5,081
Share-based payment reserve		522	490
Retained losses		(9,323)	(6,079)
		(101)	2,144
Current liabilities			
Trade and other payables	16	203	762
TOTAL EQUITY AND LIABILITIES		102	2,906

These financial statements were approved and authorised for issue by the board of directors on 29 April 2016 and were signed on its behalf by:



Barbara Spurrier
Chief Financial Officer

Company Registration Number: 06573154

Frontier Resources International Plc

Consolidated statement of changes in equity For the year ended 31 December 2015

	Share capital \$'000	Deferred shares \$'000	Share premium \$'000	Retained losses \$'000	Share- based payment reserve \$'000	Foreign exchange reserve \$'000	Total \$'000
As at 1 January 2014	1,731	-	4,861	(5,098)	460	222	2,176
Loss for the year	-	-	-	(1,225)	-	-	(1,225)
Other comprehensive loss	-	-	-	-	-	(52)	(52)
Issue of share capital	921	-	341	-	-	-	1,262
Issue costs recognised in equity	-	-	(121)	-	-	-	(121)
Issue of shares options	-	-	-	-	106	-	106
Lapse of share options	-	-	-	76	(76)	-	-
As at 31 December 2014	2,652	-	5,081	(6,247)	490	170	2,146
Loss for the year	-	-	-	(3,101)	-	-	(3,101)
Other comprehensive loss	-	-	-	-	-	(181)	(181)
Issue of share capital	307	-	660	-	-	-	967
Transferred to deferred shares	(2,323)	2,323	-	-	-	-	-
Issue of shares options	-	-	-	-	32	-	32
As at 31 December 2015	636	2,323	5,741	(9,348)	522	(11)	(137)

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for share capital at nominal value
Share premium	Amount subscribed for share capital in excess of nominal value
Retained losses	Cumulative net losses recognised in the financial statements
Share-based payment reserve	Amounts recognised for the fair value of share options and warrants granted
Foreign exchange reserve	Exchange differences on translating foreign operations

Frontier Resources International Plc

Company statement of changes in equity For the year ended 31 December 2015

	Share capital \$'000	Deferred shares \$'000	Share premium \$'000	Retained losses \$'000	Share-based payment reserve \$'000	Total \$'000
As at 1 January 2014	1,731	-	4,861	(4,728)	460	2,324
Loss for the year	-	-	-	(1,427)	-	(1,427)
Issue of share capital	921	-	341	-	-	1,262
Issue costs recognised in equity	-	-	(121)	-	-	(121)
Issue of share options	-	-	-	-	106	106
Lapse of share options	-	-	-	76	(76)	-
As at 31 December 2014	2,652	-	5,081	(6,079)	490	2,144
Loss for the year	-	-	-	(3,244)	-	(3,244)
Issue of share capital	307	-	660	-	-	967
Transferred to deferred shares	(2,323)	2,323	-	-	-	-
Issue of share options	-	-	-	-	32	32
As at 31 December 2015	636	2,323	5,741	(9,323)	522	(101)

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for share capital at nominal value
Share premium	Amount subscribed for share capital in excess of nominal value
Retained losses	Cumulative net losses recognised in the financial statements
Share-based payment reserve	Amounts recognised for the fair value of share options and warrants granted

Frontier Resources International Plc

Consolidated statement of cash flows For the year ended 31 December 2015

	Notes	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Net cash used in operations	17	(494)	(454)
Cash flows from investing activities			
Expenditures for exploration and evaluation	14	(91)	(836)
Net cash used in investing activities		(91)	(836)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		470	1,141
Finance costs	10	(7)	(2)
Net cash from financing activities		463	1,139
Net decrease in cash and cash equivalents		(122)	(151)
Cash and cash equivalents beginning of year		165	366
Effect of foreign exchange rate changes		(17)	(50)
Cash and cash equivalents at end of year		26	165

Frontier Resources International Plc

Company statement of cash flows For the year ended 31 December 2015

	Notes	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Net cash used in operating activities	18	52	(509)
Cash flows from investing activities			
Funds paid to subsidiary		(641)	(803)
Net cash used in investing activities		(641)	(803)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		470	1,141
Finance cost		(7)	-
Net cash from financing activities		463	1,141
Net decrease in cash and cash equivalents		(126)	(171)
Cash and cash equivalents beginning of year		152	323
Cash and cash equivalents at end of year		26	152

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

1 General information

Frontier Resources International Plc is incorporated in the United Kingdom. The address of the registered office is given in the officers and advisors section. The nature of the Company's operations and its principal activities are set out in the Directors' report.

The functional currency of the Company is Sterling (£). The presentational currency of the Company is the US Dollar (\$) because that is the main currency of the industry in which the Group operates (being the oil and gas industry).

2 Adoption of new and revised International Financial Reporting Standards

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's financial statements in the periods of initial application.

Standard	Description	Effective date
IFRS11(Amendment 2014)	Acquisition of interests in Joint Operations	1 January 2016
IFRS 9	Financial Instruments – classification and measurement of financial assets	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

3 Significant accounting policies

Basis of preparation

These financial statements of the Group and Company are prepared on a going concern basis, under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, including IFRS 6 'Exploration for and Evaluation of Mineral Resources' and in accordance with the Companies Act 2006. The Parent Company's financial statements have also been prepared in accordance with IFRS as adopted by the European Union and the Companies Act 2006.

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

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities, and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

acquired operations are included in the consolidated income statement from the date on which control is obtained.

Parent Company income statement

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own income statement. The Company's loss for the year was \$3,244,000 (2014: \$1,548,000) and is included within the consolidated statement of comprehensive income.

Going concern

The accounts have been prepared on a going concern basis. The Group made a loss of \$3,101,000 during the year ended 31 December 2015 and continues to be loss making. At the year end the Group had cash balances of \$26,000 and net liabilities of \$137,000.

As the directors believed no future funding was likely to be available for the Group's early stage oil and gas exploration projects, the directors agreed to pursue an alternative strategy for the Company and either dispose (if possible) or abandon its oil and gas projects. As at 31 December 2015, the Company impaired all oil and gas exploration assets held.

Following the year end, the Company completed the disposal of its Oman project and abandoned its Zambia and Namibia projects. As a result, the Group no longer has any operating activities and has become a cash shell under the AIM Rules. The Group has prepared cash flow projections reflecting the requirements of the Group as a cash shell. The current cash balances will provide sufficient working capital to fund the Group's existing needs for the next 12 months prior to the Company making any further investments or acquisitions. The operations of the Group are currently being financed from funds which the Company raises from private and public placing of its shares. As the Group has no operating business, it is reliant on acquiring a new target business.

In order for the Company to make an acquisition or acquisitions of a new target business which constitutes a reverse takeover as required by the AIM Rules in order to maintain the admission of the Company's shares to trading on AIM, the Company will need to raise additional funds in due course. After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that such funding would be available and that the Group would have sufficient cash to fund any planned new strategic activities and to continue its operations for the foreseeable future, and at least for one year from the date of approval of these financial statements.

The financial statements have, therefore, been prepared on the going concern basis. The financial statements do not contain any adjustments relating to the recoverability and classification of recorded assets that might be necessary should the Company and Group not be able to continue as a going concern.

Investments in subsidiaries

In its separate financial statements, the Company's investment in its subsidiaries has been fully impaired.

Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end.

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Foreign currencies

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency") which is considered by the directors to be the Pounds Sterling (£). The financial statements have been presented in US Dollars. The effective exchange rate at 31 December 2015 was £1 = US\$1.48 (2014: £1 = US\$1.55).

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 the statement of comprehensive income.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the year end. All differences are taken to the statement of comprehensive income.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement, which involves assessing whether the fulfilment of the arrangement depends on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The classification of leases as financing or operating leases requires the Company to determine, based on an evaluation of the terms and conditions, whether it retains or acquires the significant risks and rewards or ownership of these assets and accordingly whether the lease requires an asset and liability to be recognized on the balance sheet.

The Company leases assets, all which have been determined to be operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. Financing charges are reflected in the income statement.

Rent paid on operating leases is charged to the statement of comprehensive income on a straight line basis over the term of the lease.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise balances on bank accounts, cash in transit and cash floats held in the business. Interest bearing bank loans are recorded at the proceeds received, net of issue costs. Finance charges are accounted for on an accruals basis and charged to the statement of comprehensive income when payable.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected that can be reliably estimated.

Payables, financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any instrument with a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments (ordinary shares) are recorded at the proceeds received, net of direct issue costs.

Payables

Payables are recognised at fair values and classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Property, plant and equipment

Equipment and proven oil and gas assets are stated at cost less accumulated depreciation and accumulated impairment. Equipment is depreciated on a straight line basis over its expected useful life. The expected useful lives of equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Proven oil and gas assets are accounted for using the successful efforts method. For evaluated properties with economic values exceeding the exploration and development costs incurred after the grant of the licence, these costs, which may include geological and geophysical costs, costs of drilling exploration and development wells, costs of field production facilities, including commissioning and infrastructure costs,

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

are capitalised. These expenditures are combined into asset groups reflecting the anticipated useful lives of individual assets and subsequently are depreciated over the expected economic lives of those asset groups. The expenditure within the asset group with a useful life equal to the producing life of the field is depleted on a unit-of-production basis.

Impairment reviews of property, plant and equipment

The carrying amounts of the Group's and Company's assets are reviewed at each year end and, if there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use for example, the discounted future cash flows from the estimated recoverable oil and gas reserves for proven oil and gas assets. Any impairment loss arising from the review is charged to the statement of comprehensive income under costs of sale whenever the carrying amount of the asset exceeds its recoverable amount.

A previously recognised impaired loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income and the depreciation charge adjusted prospectively.

Exploration and evaluation assets

Costs associated with exploration and evaluation are capitalised on a project-by-project basis, where a project may be a collection of geographically and geologically similar licenses. Costs capitalised include appropriate technical and directly attributable administrative expenses but not general overheads. Costs capitalised are reviewed at each reporting date to confirm that there is no indication of impairment and that drilling is still underway or is planned. If no future exploration or development activity is planned in the licence area the exploration and evaluation assets are impaired.

Impairment reviews of exploration and evaluation assets

The capitalised expenditures for each project are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review included confirming that exploration drilling is still underway or firmly planned or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing. If no future activity is planned, the remaining balance of capitalised expenditures for the project is written off as impairment in the consolidated statement of comprehensive income. When production commences the accumulated costs for the project are transferred from intangible exploration and evaluation assets to Proven oil and gas assets in property, plant & equipment.

Assets and disposal groups held for sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal groups) is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and disposal groups classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Ordinary shares

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

Share-based payments

The Company made share-based payments to certain directors and advisers by way of issue of share options. The fair value of these payments is calculated either using the Black Scholes option pricing model or by reference to the fair value of any fees or remuneration settled by way of granting of options. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period.

There are no matters requiring significant judgement (apart from those involving estimations, which are dealt with below) other than the application of the going concern basis as disclosed separately.

Although estimates are based on management's best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Carrying value of property, plant and equipment (including oil and gas assets)

Depletion and depreciation for oil assets is calculated on a unit-of-production basis, using the ratio of oil production in the period to the estimated quantities of proved and probable reserves at the end of the period plus production in the period. Oil and gas assets are tested periodically for impairment to determine whether the net book value of capitalised costs relating to the cash generating unit exceed the associated estimated future discounted cash flows of the related commercial oil and gas reserves. If an impairment is identified, the depletion is charged through the statement of comprehensive income in the period incurred.

Carrying value of investment in subsidiaries

In the separate financial statements of the Company, the investment in subsidiaries is periodically reviewed for impairment by management. These reviews require the use of judgements and estimates of whether there are any indications that the carrying values are not recoverable.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

4 Operating segments

In the opinion of the directors, the operations of the Group during the year to December 2014, comprise one operating segment, being oil and gas exploration. The Group has exploration and evaluation licenses in Oman, Namibia and Zambia. During the year to December 2015 the activity of this operating segment has been discontinued (see note 5 for more details). These financial statements reflect all the activities of this single operating segment. Segments are determined by reference to the Group's internal organisation and reporting to the directors which bases its structure on products and geographical areas.

Group exploration assets for continuing and discontinued operations are distributed as follows:

	31 December 2015	31 December 2014
	\$'000	\$'000
USA	-	2
Rest of world	-	3,012
Continuing operations	-	3,014
USA	-	-
Rest of world	690	-
Discontinued operations	690	-

5 Discontinued operations and held for sale

During the year the Directors have committed to dispose or has suspended its oil and exploration operations in Frontier Inc, Frontier Oman, Frontier Namibia and Frontier Zambia.

1. Frontier Inc and Frontier Oman – its assets and liabilities have been classified as held for sale under IFRS 5 and its results for the year are classified as discontinued operations.
2. Frontier Namibia and Frontier Zambia operations were suspended during the year due to lack of funding. However, both did not meet the criteria to be classified as held for sale under IFRS 5 but its results for the year are classified as discontinued operations.

The results for these discontinued operations below excluded any intercompany balances written off or forgiven in the individual entities. These were eliminated on consolidation of the group results.

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Administrative expenses	1,030	421
Exceptional item- assets impairment	1,825	-
Loss before and after tax	2,855	421

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

The major classes of assets and liabilities of these discontinued operations classified as held for sale in the consolidated statement of financial position at 31 December 2015 are as follows:

	2015 \$'000
Property, plant and equipment	2
Exploration and evaluation assets	690
Cash and cash equivalents	2
Trade and other receivables	5
Assets classified as held for sale	<u>699</u>
Trade and other payables	<u>735</u>
Liabilities classified as held for sale	<u>735</u>

The consolidated statement of cash flows includes the following amounts relating to discontinued operations for the year ended 31 December 2015:

	2015 \$'000
Cash used in operating activities	(966)
Cash used in investing activities	(91)
	<u>(1,057)</u>

6 Operating loss

The Group's operating loss has been arrived at after charging:

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Operating lease rentals	53	39
Audit fees	18	24
Fees payable to Company's auditor for other services:		
- Tax and Corporate finance services	9	15

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

7 Employees

The average number of employees (including directors) in the Group and their remuneration was as follows:

		Year ended 31 December 2015	Year ended 31 December 2014
Number of employees	No	6	6
Wages, salaries and fees	\$'000	122	650

Directors' remuneration comprises:

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Executive director salaries ¹	44	316
Non-executive directors' fees	32	86
Former non-executive directors fee	12	-
Social security contributions	10	16
Wages, salaries and fees	98	418
Directors' share-based payments	22	68
Benefits in kind	20	24
Total Directors' remuneration	140	510

¹ The amount disclosed relates to salaries paid during the year 2015 and excludes reversal of unpaid accrued salaries.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These are considered to be the directors of the Company and so key management remuneration is as disclosed above.

The Group does not operate a pension plan for directors or employees.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

8 Directors' share options

None of the share option grants have ever been exercised. Details of outstanding share options as at 31 December 2015 are as follows:

	As at 1 January 2015	Granted/ (Lapsed)	Exerc- ised	As at 31 December 2015	Exercise Price (pence)	Date of Grant	Earliest Exercise Date	Expiry Date
M J Keyes	250,000	-	-	250,000	5.5	14/10/10	14/10/11	14/10/20
M J Keyes	250,000	-	-	250,000	5.5	14/10/10	14/10/12	14/10/20
M J Keyes	250,000	-	-	250,000	5.5	14/10/10	14/10/13	14/10/20
J O'Donovan	1,000,000	-	-	1,000,000	5.5	14/10/10	14/10/11	14/10/20
J O'Donovan	1,000,000	-	-	1,000,000	5.5	14/10/10	14/10/12	14/10/20
J O'Donovan	1,000,000	-	-	1,000,000	5.5	14/10/10	14/10/13	14/10/20
B Spurrier	250,000	-	-	250,000	5.5	15/10/10	15/10/12	15/10/20
B Spurrier	583,333	-	-	583,333	6.0	05/7/13	05/7/14	05/07/23
B Spurrier	583,333	-	-	583,333	6.0	05/7/13	05/7/15	05/07/23
B Spurrier	583,334	-	-	583,334	6.0	05/7/13	05/7/16	05/07/23

9 Share options and share-based payments

The Company grants share options at its discretion to directors, management and advisors. Share options are granted with vesting periods of between one and three years from the date of grant. Should the options remain unexercised after a period of ten years from the date of grant, the options will expire. Options are exercisable at a price equal to the Company's quoted market price on the date of grant.

Details for the share options granted, exercised, lapsed and outstanding at the year-end are as follows:

	As at 31 December 2015		As at 31 December 2014	
	Number of share options	* WAEP (pence)	Number of share options	* WAEP (pence)
Outstanding at beginning of year	8,250,000	5.7	11,169,230	5.8
Granted during the year	-	-	-	-
Forfeited/lapsed during the year	(500,000)	6.0	(2,919,230)	6.2
Exercised during the year	-	-	-	-
Outstanding at end of the year	7,750,000	5.7	8,250,000	5.7
Exercisable at end of the year	6,966,666	5.6	5,000,000	5.5

* WAEP is Weighted Average Exercise Price

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Fair value of share options

Options are priced using an option pricing model including the quoted market value of the share price and assumptions for share price volatility and dividends. Both remained constant from the date of listing in January 2009 to 31 December 2013. Expected volatility for grants is based on the Frontier Resources International plc share price over the 12 month period to date of grant.

No options nor warrants were granted in 2015

It is assumed that no options will be exercised.

		Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Grant date share price (pence)	Pence	-	-
Exercise price (pence)	Pence	-	-
Expected volatility		-	-
Option life		-	-
Charge for share based payments	\$'000	-	-
Weighted average fair value of share options grant	Pence	-	-
Quoted share price at time of grant	Pence	-	-
	Cents	-	-
Quoted share price - high	Pence	0.95	4.000
Quoted share price - low	Pence	0.08	0.750

Unexercised warrants

Issue date	Exercise price	Number	Exercisable	Expiry date
05/07/2013	6.0p	1,100,555	Any time before expiry	05/07/2018
05/07/2013	6.0p	1,440,000	Any time before expiry	05/07/2018
05/07/2013	6.0p	416,666	Any time before expiry	05/07/2016
13/11/2014	1.0p	12,500,000	Any time before expiry	12/11/2018

Neil Herbert's Self Invested Pension Plan was issued share warrants in November 2014, on a one for one basis for the subscription of ordinary shares.

10 Finance costs

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Other interests	7	2

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

11 Taxation

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Corporation tax		
Current corporation tax	-	-
Deferred tax		
Deferred tax	-	-
Corporation tax is calculated at the following rates	20%	21%

Corporation tax is calculated at above stated rates on the estimated taxable profit for the year. The Group's effective tax rate differs from the theoretical amount that would arise using the UK domestic corporation tax rate applicable to losses of the consolidated companies as follows:

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Loss before tax on ordinary activities	(3,101)	(1,225)
Corporation tax calculated at rate applicable for year	(620)	(257)
Effect of overseas and other taxes at different rates	-	-
Expenses not deductible for tax purposes	483	75
Effect of unused tax losses carried forward	137	182
Effect of deferred tax movements	-	-
Taxation credit	-	-
Effective percentage tax rate for year	0%	0%

The Group has incurred tax losses for the year and therefore a corporation tax charge does not arise.

The Group has unrelieved tax losses that have not been recognised as a deferred tax as the recovery of this benefit is dependent on the future profitability of Group entities, the timing of which cannot be reasonably foreseen (see note 19).

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

12 Loss per share

The basic loss per share has been calculated using the loss for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

Basic	Year ended 31 December 2015	Year ended 31 December 2014
Loss for the year – continuing operations (\$'000)	(246)	(804)
Loss for the year – discontinued operations (\$'000)	(2,855)	(421)
Loss for the year (\$'000)	(3,101)	(1,225)
Weighted average number of ordinary shares	246,168,507	132,468,176
Basic loss per share – continuing operations (cents)	(0.1c)	(0.61c)
Basic loss per share – discontinued operations (cents)	(1.16c)	(0.32c)
Basic loss per share (cents)	(1.26c)	(0.92c)
Weighted average number of ordinary shares allowing for the exercise of options	361,999,056	137,518,640

The Company has not issued share options in 2015. The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

13 Investments in subsidiary undertakings

During 2014 and up to the 2015 year end, the Company operated each of its regional oil and gas assets through special purpose 100% owned subsidiary undertakings that are funded by equity and intercompany funding arrangements with the Company. These subsidiaries have since the 2015 year end, been either sold or dissolved.

The principal activity of each subsidiary was that of oil and gas exploration. Frontier Resources International Inc, following the disposal of its oil and gas assets in 2012, provides technical and management services.

The subsidiaries are as follows:

	Equity interest	Place of business	Date & country of incorporation
Frontier Resources International Inc.	100%	U.S.A.	24 Feb 1989 U.S.A.
Frontier Resources Oman Ltd	100%	Oman	9 May 2011 U.K.
Frontier Resources Namibia Ltd	100%	Namibia	2 August 2011 U.K.
Frontier Resources Zambia Ltd	100%	Zambia	7 November 2011 U.K.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

The Company's investments in, and loans to, subsidiary undertakings is as follows:

Company	31 December 2015	31 December 2014
Cost		
At 1 January	4,887	4,084
Amounts advanced to subsidiaries	-	803
At 31 December	4,887	4,887
Provisions		
At 1 January	(2,163)	(1,820)
Impairment (see below)	(2,724)	(343)
At 31 December	(4,887)	(2,163)
Carrying value	-	2,724

The directors have assessed the carrying value of the Company's investment in its subsidiaries and have impaired its investments in the accounts of the Company in 2015 by \$2,724,000 (2014: \$343,000). The amounts due from the subsidiaries have no fixed repayment terms but are repaying in more than one year.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

14 Non-current assets

a) Property, plant and equipment (PPE) and Exploration and evaluation assets (E&EA)

Group	PPE \$'000	E&EA \$'000
Cost		
At 1 January 2014	9	2,176
Additions	-	836
At 31 December 2014	9	3,012
Additions	-	91
Reclassified as held for sale	(9)	(1,702)
Foreign exchange movements	-	(172)
At 31 December 2015	-	1,229
Depreciation		
At 1 January 2014	(6)	-
Charge for the year	(1)	-
At 31 December 2014	(7)	-
Impairment losses	-	(2,241)
Reclassified as held for sale	7	1,012
At 31 December 2015	-	(1,229)
Carrying value		
At 31 December 2014	2	3,012
At 31 December 2015	-	-

The amount of capitalised exploration and evaluation expenditure at 31 December 2015 was \$nil (2014: \$3,012,000) of which \$nil (2014: \$1,810,000) related to the Group's Oman licence, \$nil (2014: \$972,000) related to the Group's Namibian licence and \$nil (2014: \$230,000) related to the Group's Zambian licence. The capitalised E&EA relating to Oman licence has been reclassified as held for sale.

The directors have assessed the value of those E&EA assets, and in their opinion, based on a review of the expiry dates of licences, expected available funds and the intention not to continue exploration and evaluation, apart from the E&EA assets held for sale for Oman, the remaining E&EA assets relating to Zambia and Namibia were fully impaired.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

b) Provision for decommissioning

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
At 31 December	-	-

The provision for decommissioning represents the present value of the asset retirement obligations associated with the Group's future abandonment of oil and gas properties. The provision for decommissioning is estimated after taking into account of inflation, years to abandonment and an appropriate discount rate. The timing of the economic outflows relating to this provision is uncertain but is not due within one year of the year end.

Actual decommissioning costs will ultimately depend upon future market prices for the decommissioning work required, which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This in turn will depend upon future oil and gas prices, which are inherently uncertain. The actual amounts paid for decommissioning may ultimately vary significantly from the provision at the year ends requiring potentially material adjustments to the carrying value of the obligations.

The directors have evaluated the operations to date and concluded a provision is currently not necessary.

15 Trade and other receivables

	Group		Company	
	31 December 2015 \$'000	31 December 2014 \$'000	31 December 2015 \$'000	31 December 2014 \$'000
Prepayments	18	39	18	23
Other receivables	58	10	58	7
	76	49	76	30

All amounts are due within three months. No amounts are past due.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

16 Trade and other payables

	Group		Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	\$'000	\$'000	\$'000	\$'000
Trade payables	73	88	73	83
Director's current account	-	214	-	144
Accruals	130	780	130	535
	203	1,082	203	762
Average credit period taken on purchases in days	53	82	53	82

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are payable within 3 months.

The directors' voluntarily agreed for their outstanding current account to be written off in full as at the 31 December 2015.

Also included in accruals at 31 December 2015 is \$nil (2014: \$32,000) payable to Jack Keyes for the private health care benefit provided by the Company.

The Directors consider that the carrying amount of trade payables approximates their fair value.

17 Notes to the consolidated statement of cash flows

Group	Year ended 31 December 2015	Year ended 31 December 2014
	\$'000	\$'000
Cash from operating activities		
Loss for the financial year	(3,101)	(1,225)
Adjustments for:		
Impairment of assets	2,241	-
Depreciation of plant and equipment	1	1
Finance costs	7	-
(Increase)/ (decrease in trade and other receivables	(27)	259
{Decrease}/increase in trade and other payables	(144)	405
Expenses settled through issue of shares	497	-
Share-based payments	32	106
Net cash used in operating activities	(494)	(454)

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

18 Notes to the company statement of cash flows

Company	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Cash from operating activities		
Loss for the financial year	(3,244)	(1,427)
Adjustments for:		
Impairment of Investment in subsidiary (note 13)	2,724	343
Write off of intercompany balances	641	
(Increase)/decrease in trade and other receivables	(46)	262
(Decrease)/increase in trade and other payables	(559)	207
Expenses settled through issue of shares	497	
Share-based payments	32	106
Finance Cost	7	-
Net cash used in operating activities	52	(509)

19 Deferred tax

The Group has unrelieved tax losses. The potential benefit of these taxation losses calculated at the rates of tax prevailing in the countries in which the losses were incurred has not been recognised as a deferred tax at the year-end dates as the recovery of this benefit is dependent on the future profitability of Group entities.

	Group			Company	
	31 December 2015 \$'000	31 December 2014 \$'000	31 December 2015 \$'000	31 December 2014 \$'000	31 December 2014 \$'000
Cumulative tax losses					
- Rest of World	5,200	4,104	3,119	2,493	
- USA	-	483	-	-	
Unrecognised deferred tax asset related to the losses					
- Rest of World	936	821	561	498	
- USA	-	160	-	-	

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

20 Share capital

Issued share capital

The issued share capital was as follows:

	Ordinary Shares	Share Capital	Deferred shares	Deferred shares	Share Premium
Company	Number	\$'000	Number	\$'000	\$'000
At 1 January 2014	110,055,505	1,731	-	-	4,861
Issue of share capital during the year	55,375,000	921	-	-	220
At 31 December 2014	165,430,505	2,652	-	-	5,081
Issue of share capital during the year	196,568,551	307	-	-	660
Subdivision of existing ordinary shares into 1 ordinary share of 0.1p plus one deferred share	165,430,505	-	-	-	-
Transferred to Deferred Shares	(165,430,505)	(2,323)	165,430,505	2,323	-
At 31 December 2015	361,999,056	636	165,430,505	2,323	5,741

Details of the Group's share options in issue are shown in note 8.

During the year to 31 December 2015 the following share transactions are reflected in the table above:

- An issue of 175,040,030 shares as fully paid up in July 2015 by placing at a price of 0.35p per share. Of this issue, 74,065,031 shares were in lieu of fees, services and settlement of AGR Energy loan.
- An issue of 21,528,521 shares as fully paid up in November 2015 at a price of 0.165p per share.
- On 30 June 2015, 165,430, 505 shares of 1p each were subdivided into 165,430,505 new ordinary of 0.1p and 165,430, 505 shares of 0.9p each were deferred, as part of the Company's capital reorganisation of its shares.

The new ordinary shares have the same rights as those currently accruing to the existing ordinary shares under the existing articles of association, including those relating to voting and entitlement to dividends. These shares carry no right to fixed income.

21 Control

The Company is under the control of its shareholders and not any one party.

22 Related party transactions

Intercompany transactions

Balances between the Company and its subsidiaries, which are a related party, were written off at year end. The amounts written off have been eliminated on consolidation.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Compensation and other payments to key management personnel (including directors)

The remuneration of the directors, who were the key management personnel of the Group in 2015, is set out below in aggregate for each of the categories specified in IAS 24, 'Related Party Disclosures'.

	Year ended 31 December 2015	Year ended 31 December 2014
	\$'000	\$'000
Short term employment benefits	76	402
Share-based payments	22	68
Consultancy fees	-	-
Service fees	145	155

The service fees were paid to CFPro Limited and Cambridge Financial Partners LLP. Barbara Spurrier (appointed a Director of the Company in 2013) has a financial interest in all two companies. Amounts payable at year end and included in trade payables are \$31,425.

4,285,714 new shares were issued in July 2015 to CFPro Limited, (a company owned by Mrs Spurrier) in lieu of fees owed of £15,000, owed by the Company in respect of accounting and administration services provided to the Company.

23 Financial instruments and financial risk factors

The carrying amounts of the financial instruments are set out below. Details of the significant accounting policies including the criteria for recognition, the basis of measurement and the bases for recognition of income and expense for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

	Group		Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Loans and receivables (including cash and cash equivalents)	102	214	102	182
	102	214	102	182
Financial Liabilities				
Payables and borrowings	203	1,082	203	762
	203	1,082	203	762

Derivatives

The Group and Company have no derivative financial instruments.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Fair values

The directors consider that the carrying amounts of financial assets and financial liabilities approximate their fair values.

Financial risk factors

The Group has exposure to a number of different financial risks arising from its business operations including market risks relating to commodity prices, foreign currency exchange rates, interest rates, credit exposures and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below. Throughout the year ending 31 December 2015 and in previous year no trading in financial instruments was undertaken and the Group did not have any derivative or hedging instruments.

Market risk

Market risk is the risk or uncertainty arising from possible market movements and their impact on the performance of the business and the value of the assets, liabilities or expected cash flows. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk

Foreign currency exchange rates could impact the results of the Group as well as the future cash flows and values of its financial instruments. The Group undertakes transactions denominated in foreign currencies (other than the functional currency of the Company, £ Sterling), with exposure to exchange rate fluctuations.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities (excluding assets classified as held for sale) were:

	Group		Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Sterling	102	201	102	182
US Dollars	-	13	-	-
	102	214	102	182
Financial Liabilities				
Sterling	203	1,038	203	762
US Dollars	-	44	-	-
	203	1,082	203	762
Impact of a 10 per cent. change in the sterling/dollar exchange rate, if all other variables were constant, on reported losses with a corresponding impact on net assets	(11)	(94)		

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

Interest rate risk

The Group is exposed to interest rate risk because the Group borrows and deposits funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate cash deposits and borrowings.

The losses recorded by both the Group and the Company for the year ended 31 December 2015 would not materially increase/decrease if interest rates had been significantly higher/lower and all other variables were held constant.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group seeks to limit credit risk on liquid funds through trading only with counterparties that are banks with high credit ratings assigned by international credit rating agencies.

The Group's principal financial assets are bank balances, trade and other receivables. The Group has no significant concentration of credit risk as exposure is spread over a number of customers.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the year-end was:

	Group		Company	
	31	31	31	31
	December	December	December	December
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables excluding prepayments	58	10	58	7
Cash and cash equivalents	26	165	26	152
	84	175	84	159

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and putting in place programmes for raising capital, maintaining adequate banking facilities and managing short-term surplus funds in bank deposits.

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable working capital, exploration commitments and strategic investment needs to be met and therefore to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only its short term position but also its long term operational and strategic objectives.

The capital structure of the Group currently consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in Note 20 and the statement of changes in equity. The Group is not subject to any externally imposed capital requirements.

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest due repayment dates. The Group has no finance debt.

	Year ended 31 December 2015 Non interest bearing \$'000	Year ended 31 December 2014 Non interest bearing \$'000
Group		
Within 6 months	203	1,082
	203	1,082
Company		
Within 6 months	203	762
	203	762

24 Obligations under operating leases

The future aggregate minimum lease payments under non-cancellable operating leases are:

	Group		Company	
	31 December 2015 \$'000	31 December 2014 \$'000	31 December 2015 \$'000	31 December 2014 \$'000
No later than 1 year	11	29	-	-
Less than 1 year, and not later than 5 years	-	11	-	-

25 Exploration and evaluation commitments

The Group's planned expenditure for the near term is as follows:

	Group		Company	
	31 December 2015 \$'000	31 December 2014 \$'000	31 December 2015 \$'000	31 December 2014 \$'000
No later than 1 year	-	14,600	-	-
More than 1 year, and not later than 5 years	-	400	-	-
To be incurred in Rest of World	-	15,000	-	-

The Group has minimum work programme obligations under each of its licence agreements in Oman, Zambia and Namibia. However, the group has not been able to secure sufficient funding to continue with

Frontier Resources International Plc

Notes to the financial statements for the year ended 31 December 2015

these work programme obligations and due to change in the strategic development of the Group, the management has decided to discontinue all its activities in the oil exploration projects.

26 Contingent liabilities

Due to the nature of the Group's discontinued business, some contamination of oil and gas properties in which the Group had an interest in is possible. Environmental site assessments of the properties would be necessary to adequately determine remediation costs, if any.

The directors have evaluated discontinued operations and concluded that no provision for potential remediation costs is required.

27 Events after reporting date

On 6 January 2016, the Board implemented a capital reorganisation of the Company's shares. Each existing ordinary shares of 0.1p each was subdivided and re-designated into new ordinary shares of 0.01p each, and one deferred share of 0.09p of the Company, and the Company adopted new articles of association.

The new ordinary shares have the same rights as those accruing under the ordinary shares held prior to the reorganisation.

On 17 February 2016, the Company issued 4,750,000,000 new ordinary shares of 0.01p as fully paid up with existing and new investors at a placing price of 0.03p per ordinary share. In addition, the Company issued 361,999,056 warrants to subscribe for new ordinary shares. On the same day, Adam Reynolds was appointed as a director and Chairman of the Company and both Jack Keyes and John O'Donovan resigned as directors of the Company with immediate effect.

On 2 March 2016, the Board of the Company, subject to the approval of shareholders, conditionally agreed to the sale of its entire interests in Frontier Resources Oman Limited and Frontier Resources International Inc to Mr Jack Keyes, the former chief executive of the Company for a consideration of £1 and deferred consideration, which is contingent on the achievement of certain targets. The sales were approved by shareholders on 22 March 2016 and completed on 23 March 2016, following which, Jack Keyes' 750,000 share options at an exercise price of 5.5p were then cancelled.

On 2 March 2016 the Company agreed to liquidate their subsidiaries, Frontier Resources Zambia Limited and Frontier Resources Namibia Limited. Both companies ceased trading on 11 March 2016.