Company Registration No. 07791328 (England and Wales)

Papua Mining plc

Financial statements for the year ended 31 December 2015

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Directors	Michael Jolliffe Hugh McCullough Kieran Harrington Keith Lough Gunnar Palm
Secretary	Scrip Secretaries Limited 3rd Floor 17 Hanover Square London W1S 1HU
Company registration number	07791328
Registered office	Fifth Floor 17 Hanover Square London W1S 1HU
Nomad and broker	Cenkos Securities 6, 7, 8 Tokenhouse Yard London EC2R 7AS
Lawyers	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Independent auditor	Grant Thornton Molyneux House Bride Street Dublin 8 Ireland
Registrars	Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS13 8AE

Chairman's Statement

I am pleased to present our report for Papua Mining plc ("**Papua**" or "**the Company**") for the financial year ending 31 December 2015. Notwithstanding the economic downturn, which has been particularly pronounced in the mining sector, we have made significant progress on the technical front in our exploration programme in Papua New Guinea ("**PNG**").

Papua now holds six Exploration Licences granted by the Minister for Mining in PNG all of which are located in the central part of New Britain Island. The total area under licence is approximately 1,800 square kilometres.

Whilst exploration has been carried out over all of these licences, the most intensive work during the past year has been carried out in the Mt. Visi area covered by Exploration Licences 2051 and 2322.

The discovery, in May 2014, of high grade copper and gold values in surface outcrop on EL2051 has been extended following the grant in September 2015 of the adjoining licence EL2322. This has culminated in a drilling programme on the Mt. Visi target which commenced in December 2015 and was completed in March 2016. We are excited by the evidence we have seen in the drilling of alteration typical of the central parts of porphyry systems and, while the initial assays from selected core samples do not show commercial grades of copper, the visual identification of copper mineralization through much of the rocks drilled is an important indication of the presence nearby of a mineralized copper porphyry system.

I reported in last year's report on the difficulties being experienced in the resource sector in securing sufficient financial resources to continue worthwhile exploration programmes. If anything, the situation has deteriorated during the period under review. Investment finance for exploration, even highly prospective projects such as ours, virtually dried up and exploration budgets both for major companies as well as for juniors have been severely curtailed. Exploration by junior companies is currently virtually non-existent. Despite the difficulties, we have managed to complete our drilling programme at Mt Visi thereby advancing the Company's prospects considerably. There are also appearing perhaps the first signs of a tentative recovery in the market. It is clear that the virtual total absence of serious exploration across the globe over the last two years will have its inevitable consequences. When markets do turn, as turn they will, there will be a chronic shortage of advanced exploration targets to contribute the future ore reserves which are inexorably required, year after year, even in times of economic downturn, to maintain the businesses and balance sheets of the major producers. Projects such as ours, at Mt. Visi and Tripela, will be recognized and valued then for the technical merit they clearly show now, but to a market whose attention is focused elsewhere.

You will notice that the audit certificate for the 2015 financial statements includes a qualification with respect to the issue of going concern. Financial resources are obviously in short supply for the reasons outlined above. However, we will avail ourselves of opportunities to raise additional funds as they arise in order to preserve, and where possible, increase the value of the shareholders' holdings in Papua Mining plc. We cannot, however, give any guarantee that such financing will be available when required nor that the Company will be able to continue to trade in the absence of such financing.

I would like to thank my Board, our management team and all of our people in Papua New Guinea for their loyalty and commitment to the Company's future. All of them have made sacrifices to ensure the progress of the Company's exploration in PNG. I am hopeful that we will succeed in our resolve to realise the value of the very exciting results obtained to date and that we will soon have the opportunity to increase that value with additional exploration drilling to intersect the orebody we believe to exist at Mt. Visi.

Michael Gordon Jolliffe
29 June 2016

Directors' Biographies

Michael Gordon Jolliffe (aged 65) Non-Executive Chairman

Michael Jolliffe holds dual Greek/U.K. citizenship. He is currently Chairman and the largest beneficial shareholder of Wigham-Richardson Shipbrokers Ltd. ("WRS"), one of the oldest established shipbrokers, which was established in 1894 in the U.K. WRS is one of the oldest members and shareholders of the Baltic Exchange. WRS also owns Harion Shipping Services, a shipbroker based in Piraeus. Michael Jolliffe was one of the two founding shareholders of Burren Energy plc (originally known as Sumo Oil Ltd) and was its original President and CEO. Following the involvement of outside private equity investors and its focus on E&P, and the appointment of Finian O'Sullivan (former Chevron executive) as the CEO of the company, Michael Jolliffe remained as a director of Burren until its flotation on the London Stock Exchange some eleven years later in 2003. The company was sold to ENI the Italian State Oil Company in 2007.

Mr. Jolliffe also has significant experience with maritime companies in accessing the public capital markets in the U.S. He was the former Joint Managing Director and is currently Co-Founder and Vice Chairman of Tsakos Energy Navigation which is currently quoted on the New York Stock Exchange, and today controls 65 tankers with an average age of around 6.5 years.

Mr. Jolliffe is also Chairman of StealthGas Inc., a shipping company which has 51 LPG ships under operation, and four product tankers. This company was listed on the NASDAQ in October 2005.

Hugh Martin McCullough (aged 66), Chief Executive Officer

Hugh McCullough has over 40 years' experience in gold and base metal exploration, principally in Ireland, Ghana and Mali. Having previously worked as a project geologist, in 1982 he became chief executive of Glencar Mining plc, a public company listed on the IEX (of the Dublin Stock Exchange) and AIM. Mr. McCullough was responsible for the management, financing and strategy of Glencar for over 27 years until Glencar was taken over by Gold Fields Limited in September 2009. During his time at Glencar, Mr. McCullough was involved in a number of multi million ounce gold discoveries and oversaw the development of certain gold deposits from exploration to production.

Mr.McCullough is a Professional Geologist and holds an Honours degree in Geology from University College Dublin and the degree of Barrister-at-Law from the King's Inns, Dublin.

Kieran Harrington (aged 53), Technical Director

Kieran Harrington is a geologist with 30 years of experience and expertise in gold exploration, mine development, project evaluation and project management, with particular experience and past success in exploration of gold deposits in West Africa and Europe. He joined Glencar Mining plc in 1992 as a senior geologist where he was involved in the discovery of a major commercial mine in Ghana (Wassa) and the more recent discovery of the Komana Deposit in Southern Mali. He left Glencar as Technical Director on its acquisition by Gold Fields Limited in 2009. Prior to joining Glencar, Mr. Harrington worked with Tara Prospecting Ltd and Burmin Exploration and Development Ltd. Mr. Harrington is a Professional Geologist holding an Honours degree in Geology from the National University of Ireland, Galway.

Keith Geddes Lough (aged 57), Non-Executive Director

Keith Lough has over 30 years' experience in the natural resources sector in both senior finance and general management roles.

Keith held a number of senior finance and operational positions at LASMO PLC before joining British Energy PLC as Finance Director, a post he held from 2001 to 2004. During his tenure at British Energy, Keith led the complex restructuring negotiations with the Government and its creditors.

Keith went on to become a Founder Shareholder and Chief Executive of Composite Energy Ltd from 2004 until 2011, when Composite was divested to Dart Energy. Composite was a privately owned business which successfully took coal-bed methane from exploration to early production, acquiring coal-bed methane licences and establishing drilling operations in both the UK and Europe in a JV with BG Group.

Keith is currently a non-executive director and chairman of the audit committee of Rockhopper Exploration PLC, and a non-executive director of Cairn Energy PLC and Rock Solid Images PLC. He is also a non-executive director and chairman of the audit committee of the UK Gas and Electricity Markets Authority, which has supervisory responsibility for Ofgem.

Keith has an Honours Degree in Economics from Edinburgh University, an MSc in Finance from London Business School and is a Fellow of the Chartered Association of Certified Accountants.

Gunnar Palm (aged 59), Non-Executive Director

Gunnar Palm is a partner at Richmond Park Partners LLP, an independent merchant bank providing advisory, capital markets and risk and asset management services. Prior to Richmond Park Partners LLP, Mr. Palm was Co-head of HSBC Global Banking, Coverage and Client Management for EMEA.

He has advised on a number of cross border mandates in the Middle East, India, Europe and the US. Prior to HSBC, Mr. Palm was a managing director at Barclays Capital and Credit Suisse First Boston in New York and London. Between 2007 and 2010 Mr Palm was also a Director of Bay Capital Partners (UK) Ltd, an independent India focused investment management firm. Mr. Palm began his career with The Boston Consulting Group in Munich. Mr. Palm received a BA from the Stockholm School of Economics and a MBA from The Wharton School of the University of Pennsylvania.

Review of Operations

During 2015, we continued our drilling programme at the Tripela target in New Britain and also commenced a new drilling programme at the Mt. Visi prospect in New Britain, which continued through into March 2016. Exploration activity on our other licences in Papua New Guinea ("**PNG**") was relatively modest in extent, reflecting the current depressed state of the resource investment market.

Papua Mining plc, ("**PML**") through its two PNG – incorporated subsidiaries, holds six exploration licences ("**ELs**") with a total area of 1,800 square kilometres in the central part of New Britain island. Details of the ELs currently held are given on the project pages of our Company website www.papuamining.com.

Mt Visi target

We first discovered the Mt. Visi Prospect in May 2014 during our regional exploration work on our portfolio of ELs. We have a small, highly effective exploration team who perform reconnaissance exploration in new areas to determine targets deserving of follow - up work. One of these targets was the Mt. Visi area of EL2051. Initial field surveys there discovered significant copper and gold mineralisation in surface outcrop. This was reported to shareholders on 16th May 2014 and follow up work included grid – based soil sampling on the target area including adjacent ground in the adjoining EL2322, which was granted to the Company in September 2015. Geological and alteration mapping was then carried out to delineate the deposit's surface expression. Petrological analyses on selected samples from the centre of the mapped intense alteration zone confirmed the presence at surface of a zone of high temperature, potassic alteration typical of what is developed in the central cores of mineralised porphyry deposits.

The results of all of this surface work confirmed that the target warranted a shallow drilling programme to confirm the porphyry deposit. However the Mt Visi area is a remote mountain-top location and with no road/track access we had to source a heli-portable rig which could be manually moved between drill pads. Between December 22nd 2015 and March 2016, five holes were drilled for a total metreage of 776 metres, with the deepest hole being drilled to a downhole depth of 211 metres.

Details of the holes completed are given in Table 1 below.

HoleID	Easting	Northing	Elevation	Azimuth	Dip	Length
V22DDH001	260885	9363807	1165	35	-55	191 m
V22DDH002	260885	9363807	1165	215	-55	68 m
V22DDH003	260753	9363886	1187	115	-55	211 m
V22DDH004	260878	9363871	1165	120	-70	133 m
V22DDH005	260885	9363807	1165	22	-75	173 m

Table 1: Diamond drill hole parameters for the Mt. Visi Prospect drilling programme

Results of the drilling were consistent with the earlier assessment of rock chips by Corbett and Menzies in 2014 and the subsequent spectroscopy, petrology and epidote chemistry studies which had each inferred the presence of a proximal mineralised porphyry.

The drilling has facilitated three dimensional mapping of alteration and sulphide zonation, characteristic of that generated by a mineralising porphyry. Inner zone bornite-K feldspar ± biotite alteration gives way to magnetite-chalcopyrite-silica distally, while epidote occurs in the upper parts of the system where it has some spatial and temporal association with sericite. Chlorite overprints much of the pre-existing hydrothermal alteration and is strongly associated with pyrite. The bulk of the hydrothermal alteration is hosted within a plagioclase-hornblende phyric diorite, that is intimately associated with significant shear zones and hydrothermal breccias. The hydrothermal alteration mineral assemblages appear to form in telescoping haloes suggesting the intrusive system at Mt. Visi is concentrically zoned and indicative of a nearby mineralising hydrothermal source.

The sulphide mineralisation which outcrops over a significant part of the drilling area was encountered in all drill holes. Bornite and chalcopyrite co-occur, almost invariably together with quartz and/or magnetite, within the diorite. However their occurrence in the drilling so far is patchy and the concentration generally low overall but in areas where K-feldspar is present, the tenor of mineralisation increases. Fine molybdenum is evident, usually associated with quartz. In-house XRF analysis was completed on all cores to delineate the mineralised zones. Holes 4 and 5 each showed the most pervasive mineralisation. with a number of strongly anomalous but still sub-ore grade copper and molybdenum intersections over a number of downhole intercepts including the following :

	From (metres)	To (metres)	Width (metres)	Cu (ppm)
DDH004	49	67	18	387
DDH004	76	120	44	298
(DDH004)	*49*	*120*	*71*	*294*
DDH005	39	53	14	279
DDH005	60	68	8	649
DDH005	80	114	34	664
DDH005	122	139	17	533
DDH005	142	147	5	919

A limited number of anomalous samples were selected for independent laboratory analysis to verify the XRF data and provide assay data for gold which is not possible to determine accurately with the XRF instrument Assay results for 20 samples selected from VE22DDH001 yielded results of up to 0.219 g/t Au (81.7m), 0.14% Cu (159.1m) and 77 ppm Mo (149.3m).

The interval in V22DDH004 from 49 metres to 120 metres downhole was also assayed by the laboratory. While copper grades were mostly anomalous and maximum value was 907 ppm or just under 0.1% copper, the total intercept averaged just 382 ppm copper (30% higher than the corresponding copper grade from the XRF data), and 0.04g/t gold - still well short of an ore grade intersection.

The altered / mineralised diorite mapped at surface in the 'mineralised corridor' crops out over an area approximately 120 metres by 40 metres, with the associated hydrothermal alteration approximately 150 metres by 80 metres. It is assumed this could well represent a narrow finger stemming from a much larger, and more intensely mineralised, porphyry apophysy. There are multiple vectors towards higher grade mineralisation at the Mt. Visi Prospect, with potassic alteration intensity, quartz vein density and copper sulphide mineralisation concentration all increasing with depth in holes VE22DDH003, VE22DDH004 and VE22DDH005. Spot assays from several samples in VE22DDH001 suggest a notable increase in molybdenum with depth. A corridor / structural intersection is considered to be suitable plumbing for the diorite emplacement, hydrothermal alteration, shearing and major hydrothermal brecciation which has been encountered by the shallow drilling. Thus, we interpret there to be a large target at depth below these intercepts.

Tripela Target

Geological mapping and sampling in 2011 and 2012 discovered significant copper and molybdenum soil anomalism at Tripela in licence area EL1462 in the West New Britain Province . Float and outcrop sampling and geological mapping delineated numerous occurrences of *in situ*, high grade copper and molybdenum mineralisation with grades up to 29% copper returned from outcrop assays. Subsequent shallow diamond drilling confirmed the presence of zoned argillic and phyllic alteration which we believed to be marginal to a porphyry body. Follow up, deeper drilling intersected high temperature, inner propylitic alteration, characteristic of nearby porphyry development.

The various phases of drilling between January 2014 and February 2015 comprised a total of approximately 6,985 metres of drilling. As described above the work to date has identified a significant porphyry system with strong vectors supporting the potential for an economic copper-gold porphyry orebody. The next phase of drilling at Tripela will be designed to test for the projected porphyry core. However, as announced in our interim statement last year that drilling programme has been postponed until market conditions improve.

Other Exploration Licences in PNG

We have carried out preliminary exploration on all our other exploration licences in PNG and as these programmes advance, further details will be announced when available.

Key Performance Indicators and Risk Management

Key performance indicators

The Board monitors KPIs which it considers appropriate for a group at Papua Mining's stage of development.

As a mineral exploration business, an important factor is a steadily improving market perception of the progress and value of the business leading to an improving share price, continued support from shareholders and therefore the ability to raise new equity capital at increasing prices, thus minimising dilution for those early investors who bore significant risk.

The KPIs for the Group are as follows:

Financial KPIs

Shareholder return – the performance of the share price.
The Company listed on AIM in March 2012 at a share price of £0.44 ($0.68) and issued further shares in February 2013 at £0.80 ($1.24), in June 2014 at £0.20 ($0.34), and in December 2015 at £0.01 ($0.001) per share. The share price at 1 June 2016 was £0.04187 ($0.06027). The fall in share price over the last few years is unfortunate, but is consistent with the decline in share prices of our peer companies in the resource sector over the same period. The Directors are, however, hopeful that the nascent current improvement in sentiment in the resource sector, if sustained, will lead to an improved market value of the business in 2016 and 2017 given the technical success to date in the Group's exploration operations.

Exploration expenditure – funding and development costs.
The availability of sufficient cash to facilitate continued investment and funding of exploration programmes is essential. The Group monitors the availability of sufficient cash to fund exploration programmes. At 31 December 2015 the Group had cash of $299,183 (2014: $2,513,874).

Non financial KPIs

Environment management – the Group has environmental policies in place.
The Group is aware of the potential impact that its operations may have on the environment. The Group ensures that, at a minimum, its subsidiaries comply with the local regulatory requirements and industry standard principles for environmental and social risk management.

Performance against these environmental policies is continuously monitored. The Directors consider that this has served to minimise any negative impact of current exploration activities on the environment.

Operational – the number of additional Exploration Licences and exploration successes.
There has been extensive exploration activity in the year, and the Directors are encouraged by the prospectivity of the Group's Exploration Licences and by the exploration results obtained to date. The Group currently has six Exploration Licences.

Except for the low share price during the year, the Directors consider that performance against all other KPI's in 2015 was acceptable.

Risk Management

The Directors consider that assessing and monitoring the inherent risks in the exploration business, as well as other financial risks, is crucial for the success of the Group. Risk assessment is essential in the Group's planning processes. The Board regularly reviews the performance of projects against plans and forecasts. Further detail on management of financial risk is set out in note 16.

Principal Risks and Uncertainties

The management of the business and the execution of the Board's strategy are subject to a number of risks:

- the success of mineral exploration projects is, by their nature, inherently uncertain, and the availability of new information can significantly change estimates of mineral reserves;
- the viability of exploration projects is largely driven by commodity prices;
- commodity prices can be subject to volatile fluctuations.

The principal risks and the measures taken by the Group in order to mitigate these risks are set out in more detail below.

Exploration and development risk

The Group's business operations are subject to risks and hazards inherent in the exploration industry. The exploration for and the development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, it is impossible to ensure that the Group's current exploration programmes will result in a profitable commercial mining operation.

The Board aims to manage the development of the Group as a successful exploration business by ensuring that additional prospective licences are applied for and granted on a timely basis, or otherwise acquired.

Exploration licences are held on the Papua New Guinea island of New Britain. Six Exploration Licences are currently held.

Political Risk

There is a risk that assets will be lost through expropriation, unrest or war. Papua Mining minimises political risk by operating in a country with relatively stable political systems, established fiscal and mining codes and a well established, successful mining industry.

Papua Mining further minimizes risk by ensuring that the majority of cash funds are securely held within financial institutions of high standing outside of Papua New Guinea.

Commodity Risk

Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a whole range of factors, which are outside the control of the Group. There is the risk the price for minerals will fall to a point where it becomes uneconomic to extract them from the ground. This is an interest risk of the mining industry, mitigation of which is currently outside of the group's control whilst it is still in an exploration, rather than extraction, phase.

Liquidity Risk

There is a risk of running out of working and investment capital. The Group relies for funding on the issue of share capital. Other than a Convertible Loan Note, the Group has no borrowing and maintains tight financial and budgetary control to keep its operations cost effective. Although there can be no absolute assurance that adequate funding will be available when required, the Directors are hopeful that they will secure additional funding when required to do so, as demonstrated by the fundraisings in June 2014 and December 2015.

Currency risk

Fluctuations in currency exchange risks can significantly impact cash flows. The Group maintains currency in Sterling, Australian Dollars and Papua New Guinea Kina to finance its overseas operations. In 2016 the Group could have exposure amongst others to Sterling, Euro, Australian Dollars and Papua New Guinea Kina. The mix of currencies is such that the Directors believe the Group's exposure is minimal. The Directors do however regularly monitor currency exchange rates and make judgments as to whether to enter into hedging contracts accordingly. Currently no such hedging contracts are in place.

Interest rate risk

The only significant interest-bearing asset within the Group is cash. The Directors constantly review the interest rate to ensure optimum return on deposits for the Group.

Strategic report approved on behalf of the Board.

Hugh McCullough
Director

Date 29 June 2016

Directors' Report

Principal Activity

The principal activities of the Group are the exploration for gold and copper resources in Papua New Guinea (PNG). The Group's strategy is to explore for and, where the Directors believe that it is commercially feasible, develop deposits of gold and/or copper within the territory of PNG.

The Group currently holds six Exploration Licences granted by the Minister for Mining in PNG. The licences are located in the central part of New Britain.

Financial overview

The loss for the year is in line with the Directors' expectations. With significant funding being raised in June 2014 and further funding completed in December 2015, the Directors are hopeful that they will secure additional funding when required to do so. The Directors are also of the view that the investment sentiment in the resource sector will improve, to the extent that the exploration success the Company has achieved to date will enable it to raise sufficient additional exploration funding to continue the exploration programmes in Papua New Guinea.

A detailed review of the Group's business, including its targets and strategies is given in the Chairman's Statement and the Review of Operations.

Results and Dividends

The results for the year are in line with Directors' expectations. The Directors do not recommend a dividend**.**

Going Concern

As noted in the Chairman's statement, Papua Mining plc will continue to seek additional equity funding as and when available in order to continue its exploration programmes in the short term and for general working capital purposes.

The Directors have prepared a cash flow forecast up to 30 June 2017 which supports the Directors' reasonable expectation that Papua Mining plc has adequate resources to continue in operational existence throughout this period. This cash flow forecast assumes that the exploration programmes will only continue with additional equity funding secured by the Group. Thus, they have adopted the going concern basis of accounting in preparing the annual financial statements.

Directors

The Directors in office during the year are listed below. The interests of the Directors in the shares of the Company at the relevant dates were as follows:

	As at 22 June 2016 Ordinary Shares	As at 31 December 2015 Ordinary Shares	As at 31 December 2014 Ordinary Shares	Number of options held at 31 December 2015
Michael Jolliffe	185,004	185,004	185,004	626,763
Hugh McCullough	504,571	504,571	354,571	1,997,886
Kieran Harrington	328,392	328,392	328,392	1,997,886
Gunnar Palm	-	-	-	-
Keith Lough	-	-	-	-

On December 21, 2015 Michael Jolliffe surrendered 250,000 options which he held at 31 December 2014, Hugh McCullough surrendered 796,908 options which he held at 31 December 2014 and Kieran Harrington surrendered 796,908 options which he held at 31 December 2014.

Substantial Shareholdings

As at 22 June 2016, being the latest practical date prior to publication of this document, the Company was aware of the following holdings of 3% or more of the issued share capital of the Company:

	Shares in the company	% of the Company's issued share capital
Michael Somerset-Leeke	24,191,102	28.54
South Pacific Mining Holdings Limited	11,384,621	13.43
Salida Capital (Europe) Limited	14,885,000	17.56
JP Morgan Asset Management UK Ltd	3,649,238	4.31

Directors' remuneration

The remuneration of the Directors during the early part of 2015 was made on the recommendation of the Remuneration Committee, taking into consideration remuneration packages of directors in comparable businesses and in order to retain high quality executives within a competitive market place.

Salaries and fees were paid to the Directors during the first half of the year ended 31 December 2015 but were curtailed and later suspended entirely during the second half of 2015. In addition, certain directors also received benefits in kind, principally private medical insurance, and fees were paid to businesses with which some of the Directors are associated.

The Group made payments into the private pension schemes of two of the Directors during the first half of 2015.

Share options were granted to three of the Directors during the year as outlined above.

Full details of Directors' emoluments are set out in note 19 of the financial statements.

Environmental Policy

The Group's projects are subject to the relevant PNG laws and regulations relating to environmental matters.

The Group's strategy is to explore for and, where the Directors believe that it is commercially feasible, develop deposits of gold and/or copper within the territory of PNG. It is the Group's intention to conduct its activities in a professional and responsible manner, for the benefit of the Company's shareholders, its employees and the national and local communities within which it operates.

The Group aims to, at all times, conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. The Group aims to adopt Best Practice policies as recommended by the World Bank, the International Council on Mining & Metals ("ICMM") and others where the Group deems that local legislation to be inadequate in terms of environmental protection. The Group has in place a detailed Field Operations Guidelines Manual which covers in considerable detail the measures to be taken by field personnel to minimize any negative environmental impact of current exploration activities on the environment.

The Group also recognises the enormous potential of its activities for positive impact on the communities in which it operates and strives to optimise these positive impacts as far as is possible.

The Papua Mining plc ("PM plc") Executive Directors have extensive experience and expertise in environmental aspects of mineral exploration and mining. The Group Country Manager, Chris Muller, in addition to his significant geological qualifications and experience, is a renowned lepidopterist who has participated in many important environmental studies in PNG and is credited with the discovery of a significant number of new butterfly species. All Group personnel are encouraged to take an active interest in environmental matters.

Directors' Indemnities

The Group has purchased insurance to cover its Directors and officers against the costs of defending themselves in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings. The insurance does not provide cover where a Director has acted fraudulently or dishonestly.

Political contributions

No political donations have been made.

Corporate Governance

The Board of Directors is committed to maintaining high standards of corporate governance and is accountable to the Company's shareholders for the proper corporate governance of the Group. The UK Corporate Governance Code does not apply to AIM companies, and PM plc instead follows the principles of corporate governance set out in the QCA Guidelines. PM plc operates within the mining sector in an effective and efficient way, with integrity and due regard for the interests of shareholders, and applies principles of general governance applicable to the size and stage of development of the Group.

- Audit Committee

The Audit Committee ensures the operation of good financial practices throughout the Group, ensures that controls are in place to protect the assets of the Group, reviews the integrity of financial information, reviews the interim and annual financial statements and reviews all aspects of the audit programme.

The Audit Committee is chaired by Mr. Keith Lough and also comprises Mr. Michael Jolliffe and Mr. Gunnar Palm.

- Remuneration Committee

The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and for setting the remuneration packages of individual Executive Directors, and will meet at least twice per annum.

The Remuneration of Non-Executive Directors will be a matter for the executive members of the Board.

The Remuneration Committee is chaired by Mr. Michael Jolliffe and also comprises Mr. Keith Lough and Mr. Gunnar Palm.

Auditor

The auditor, Grant Thornton UK LLP has resigned and been replaced by Grant Thornton, Dublin. The latter has indicated its willingness to continue in office and a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Statement of Disclosure to Auditor

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

Shareholders' consent will be sought at the Annual General Meeting which will propose the reappointment of Grant Thornton Dublin as independent auditor of the Company and to authorise the Directors to determine the auditor's remuneration.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected to prepare the company financial statements in accordance with IFRS as adopted by the EU.

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Group's report and accounts will be published on the Group's website and in this regard the Directors accept responsibility for the maintenance and integrity of the PM plc website.

Annual General Meeting and Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Group as a whole and its unanimous recommendation is that shareholders support these proposals as the Directors intend to do in respect of their own holdings.

On behalf of the board

Hugh McCullough
Director

Date 29 June 2016

Independent auditor's report to the members of Papua Mining plc

We have audited the financial statements of Papua Mining plc for the year ended 31 December 2015 which comprise the consolidated and parent company statements of financial position, the consolidated statement of comprehensive income, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flow, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Basis for qualified opinion on financial statements
In forming our opinion on the financial statements, we have considered the evidence available in respect of the going concern basis of preparation of the financial statements which was limited. The Company and Group are reliant on further investment from third parties in order continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Whilst the directors have attempted to raise additional finance, this has not been done to date and evidence of receiving further investment is not available. Had this evidence been available to us, we might have formed a different opinion on the financial statements and the validity of the going concern basis of preparation. These matters and their possible effects are described more fully on page 23.

Qualified opinion on financial statements
In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – carrying value of intangible assets
In forming our opinion, we have considered the adequacy of disclosures made in Note 9 to the financial statements, in relation to the Directors' assessment of the carrying value of the Group's exploration licenses and deferred exploration costs amounting to $9.27million. The realisation of the intangible assets is dependent on the successful development or disposal of precious metal and other minerals in the Group's licence areas. Such successful development is dependent on several variables including the existence of commercial deposits of precious metal and other minerals, availability of finance and the market price of precious metal and other minerals.

The financial statements do not include the adjustments that would result if the exploration and evaluation assets were not recoverable. In view of the significance of these uncertainties we consider that they should be drawn to your attention. Our opinion is not qualified in these respects.

Opinions on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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
- certain disclosures of directors' remuneration specified by law are not made.

Except for the evidence of receiving further investment, as referred to in the basis of qualified opinion paragraph, we have received all of the information and explanations we require for our audit.

Aidan Connuaghton
Senior Statutory Auditor
for and on behalf of Grant Thornton
Statutory Auditor
Chartered Accountants and Registered Auditors
Molyneux House
Bride Street
Dublin 8
Ireland

29 June 2016

Papua Mining plc
Consolidated statement of financial position at 31 December 2015

	Note	2015	2014
		US$	US$
Assets			
Non-current assets			
Intangible assets	**9**	9,270,355	17,021,091
		9,270,355	17,021,091
Current Assets			
Cash and cash equivalents	**12**	299,183	2,513,874
Other debtors		18,042	-
		317,225	2,513,874
Total assets		9,587,580	19,534,965
Equity and liabilities			
Equity attributable to shareholders of the parent			
Share capital	**13**	8,230,864	8,194,453
Share premium	**13**	14,444,849	14,117,154
Other reserves		3,087,062	3,087,062
Share based payment reserve		1,368,830	1,351,176
Retained deficit		(17,812,954)	(7,639,577)
Total equity		9,318,651	19,110,268
Current liabilities			
Trade and other payables	**15**	268,929	424,697
Total equity and liabilities		9,587,580	19,534,965

The financial statements on pages 15 to 37 were approved and authorised for issue by the Board of Directors on 29 June 2016 and signed on its behalf by:

Hugh McCullough
Director

Papua Mining plc
Company statement of financial position at 31 December 2015

	Note	2015	2014
		US$	US$
Assets			
Non-current assets			
Intangible assets	**9**	1,768,631	3,168,136
Investments	**10**	2,444,110	4,888,219
Trade and other receivables	**11**	4,852,222	10,507,675
		9,064,963	18,564,030
Current Assets			
Cash and cash equivalents	**12**	286,897	2,321,692
Other Debtors		18,042	-
		304,939	2,321,692
Total assets		9,369,902	20,885,722
Equity and liabilities			
Equity attributable to shareholders			
Share capital	**13**	8,230,864	8,194,453
Share premium	**13**	14,444,849	14,117,154
Other reserves		2,425,281	2,425,281
Share based payment reserve		1,368,830	1,351,176
Retained deficit		(17,372,373)	(5,630,559)
Total equity		9,097,451	20,457,505
Current liabilities			
Trade and other payables	**15**	272,451	428,217
Total equity and liabilities		9,369,902	20,885,722

The financial statements on pages 15 to 37 were approved and authorised for issue by the Board of Directors on 29 June 2016 and signed on its behalf by:

Hugh McCullough
Director

Papua Mining plc
Consolidated statement of comprehensive income for the year ended 31 December 2015

	Note	2015	2014
		US$	US$
Administrative expenses		(10,176,680)	(2,811,864)
Operating loss	**6**	(10,176,680)	(2,811,864)
Finance income	**5**	3,303	18,951
Loss before taxation		(10,173,377)	(2,792,913)
Income tax expense	**7**	-	-
Loss for the year attributable to the owners of the company		(10,173,377)	(2,792,913)
Other comprehensive income		-	-
Total comprehensive income attributable to the owners of the company		(10,173,377)	(2,792,013)
Loss per share attributable to shareholders			
Basic	**8**	(0.20)	(0.06)
Diluted	**8**	(0.20)	(0.06)

The Company has elected to take exemption under section 408 of the Companies Act 2006 to not present the parent Company statement of comprehensive income. The loss for the Company is shown in the statement of changes in equity.

Papua Mining plc
Consolidated statement of changes in equity for the year ended 31 December 2015

	Share Capital US$	**Share Premium** US$	**Other Reserve** US$	**Share Based Payment Reserve** US$	**Retained Deficit** US$	**Total Equity** US$
At 1 January 2014	5,489,648	11,458,500	3,087,062	1,073,442	(4,846,664)	16,261,988
Comprehensive income						
Loss for the year and total comprehensive income	-	-	-	-	(2,792,913)	(2,792,913)
Transactions with owners						
Issue of share capital	2,704,805	2,658,654	-	-	-	5,363,459
Share based payment	-	-	-	277,734	-	277,734
Total transactions with owners	2,704,805	2,658,654	-	277,734	-	5,641,193
At 31 December 2014	8,194,453	14,117,154	3,087,062	1,351,176	(7,639,577)	19,110,268
Comprehensive income						
Loss for the year and total comprehensive income	-	-	-	-	(10,173,377)	(10,173,377)
Transactions with owners						
Issue of share capital	36,411	327,695	-		-	364,106
Share based payment	-	-	-	17,654	-	17,654
Total transactions with owners	36,411	327,695	-	17,654	-	381,760
At 31 December 2015	8,230,864	14,444,849	3,087,062	1,368,830	(17,812,954)	9,318,651

Share capital

Represents the par value of shares in issue.

Share premium

Represents amounts subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

Share based payment reserve

Represents the reserve account which is used for the corresponding entry to the share based payment charge through profit and loss (note 14).

Other reserves

Represents the reserve arising from a share for share exchange as part of a group reorganisation in 2011.

Papua Mining plc
Company statement of changes in equity for the year ended 31 December 2015

	Share Capital US$	Share Premium US$	Other Reserve US$	Share Based Payment Reserve US$	Retained Deficit US$	Total Equity US$
Comprehensive income						
At 1 January 2014	5,489,648	11,458,500	2,425,281	1,073,442	(3,338,817)	17,108,054
Comprehensive income						
Loss for the year and total comprehensive income	-	-	-	-	(2,291,742)	(2,291,742)
Transactions with owners						
Issue of share capital	2,704,805	2,658,654	-	-	-	5,363,459
Share based payment	-	-	-	277,734	-	277,734
Total transactions with owners	2,704,805	2,658,654	-	277,734	-	5,641,193
At 31 December 2014	8,194,453	14,117,154	2,425,281	1,351,176	(5,630,559)	20,457,505
Comprehensive income						
Loss for the year and total comprehensive income	-	-	-	-	(11,741,814)	(11,741,814)
Transactions with owners						
Issue of share capital	36,411	327,695	-	-	-	364,106
Share based payment	-	-	-	17,654	-	17,654
Total transactions with owners	36,411	327,695	-	17,654	-	381,760
At 31 December 2015	8,230,864	14,444,849	2,425,281	1,368,830	(17,372,373)	9,097,451

Share capital

Represents the par value of shares in issue.

Share premium

Represents amounts subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

Share based payment reserve

Represents the reserve account which is used for the corresponding entry to the share based payment charge through profit and loss (note 14).

Other reserves

Represents the reserve arising from a share for share exchange as part of a group reorganisation in 2011.

Papua Mining plc
Consolidated statement of cash flows for the year ended 31 December 2015

	2015	2014
	US$	US$
Cash flow from operating activities		
Total comprehensive expense for the year before tax	(10,173,377)	(2,792,913)
Adjustments to reconcile net loss before income tax to cash flow from operating activities:		
Impairment of intangible assets	9,114,064	746,451
Share based payments	17,654	277,734
Currency adjustments	66,505	380,378
Movement in operating assets/liabilities		
- Other debtors	(18,042)	-
- Other liabilities	(155,768)	174,188
Net cash flow from operating activities	**(1,148,964)**	**(1,214,162)**
Cash flow from investing activities		
Exploration expenditure	(1,363,328)	(4,885,679)
Net cash generated from investing activities	**(1,363,328)**	**(4,885,679)**
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	364,106	5,363,459
Net cash generated from financing activities	**364,106**	**5,363,459**
Net decrease in cash and cash equivalents	**(2,148,186)**	**(736,382)**
Cash and cash equivalents at the beginning of year	2,513,874	3,626,880
Effect of foreign exchange rates changes	(66,505)	(376,624)
Cash and cash equivalents at the end of the year	**299,183**	**2,513,874**

Papua Mining plc
Company statement of cash flows for the year ended 31 December 2015

	2015	2014
	US$	US$
Cash flow from operating activities		
Total comprehensive expense for the year before tax	(11,741,814)	(2,291,742)
Adjustments to reconcile net loss before income tax to cash flow from operating activities:		
Impairment of investments	2,444,109	-
Impairment of intangible assets	1,768,631	746,451
Share based payments	17,654	277,734
Currency adjustments	66,505	354,941
Net increase in operating assets		
- Other receivables	5,637,412	(4,208,450)
Net (decrease)/ increase in operating liabilities		
- Other liabilities	(155,767)	174,188
Net cash flow from operating activities	**(1,963,270)**	**(4,946,878)**
Cash flow from investing activities		
Exploration expenditure	(369,126)	(1,242,259)
Net cash used in investing activities	**(369,126)**	**(1,242,259)**
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	364,106	5,363,459
Net cash generated from financing activities	**364,106**	**5,363,459**
Net decrease in cash and cash equivalents	**(1,968,290)**	**(825,678)**
Cash and cash equivalents at the beginning of year	2,321,692	3,498,557
Effect of foreign exchange rates changes	(66,505)	(351,187)
Cash and cash equivalents at the end of the year	**286,897**	**2,321,692**

Notes to the financial statements

1 Group and principal activities

For the purposes of these financial statements, the term "PM plc Group" is defined as the companies Papua Mining plc (the "Company"), Papua Mining Limited, Aries Mining Limited and Sagittarius Mining Limited.

Papua Mining plc is a public limited company, quoted on AIM, and is incorporated and domiciled in England and Wales.

The PM plc Group's main activity is the exploration for gold and copper resources in Papua New Guinea, as set out in the Strategic Report and the Directors' Report.

2 Adoption of new and revised standards

The statements, standards and interpretations, effective for reporting periods beginning on or before 1 January 2014 have been applied, being those standards that will be applied to PM plc Group's financial statements for the year ending 31 December 2015.

Standards affecting presentation and disclosure

The following standards and interpretations became effective for the 2015 financial statements but these were either not relevant to or did not have a material impact on the Group's financial statements:

- IAS 19 (amendment) – Defined benefit plans: Employee Contributions;
- Annual improvements to IFRSs 2010 – 2012 Cycle – various standards;
- Annual improvements to IFRSs 2011 – 2013 Cycle – various standards.

The Group has not applied the following standards and interpretations which have been issued and become effective for accounting periods beginning after the commencement of the Group's next financial year but either have no impact or are not expected to have a material impact on the Group's financial statements:

- IFRS 9 – Financial Instruments;
- IFRS 10, IFRS 12, IAS 28 (amendment) – Investment Entities: Applying the Consolidation Exception;
- IFRS 10, IAS 28 (amendment) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 11 (amendment) – Accounting for Acquisitions of Interests in Joint Operations;
- IFRS 14 – Regulatory Deferral Accounts;
- IFRS 15 – Revenue from contracts with customers;
- IAS 1 (amendment) – Disclosure Initiative;
- IAS 16 / 38 (amendment) – Property, Plant and Equipment / Intangible Assets; Clarification of acceptable methods of depreciation and amortisation;
- IAS 16 / 41 (amendment) – Agriculture: Bearer Plants;
- IAS 27 (amendment) – Equity Method in Separate Financial Statements;

The standards and interpretations addressed above will be applied for the purposes of the Group financial statements with effect from the date they become effective.

3 Basis of preparation and significant accounting policies

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively IFRSs) as adopted for use in the European Union.

The financial statements are prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and subsidiaries controlled by the Company as at 31 December 2015.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

When necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those of the Group.

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

c) Going concern

The group will seek to raise capital through the issuance of equity to continue their exploration activities in the short term and for general working capital purposes. The Directors have prepared a cash flow forecast up to 30 June 2017 which supports the Directors' reasonable expectation that Papua Mining plc has adequate resources to continue in operational existence throughout this period. This cash flow forecast assumes that the exploration programmes will only continue with additional equity funding secured by the Group. The financial statements have been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management has considered the group's existing working capital position and the necessity to seek future fund raising. Management are of the opinion that subject to an additional fund raising the group has adequate resources to continue as a going concern. If alternative funding is not available then the group would be unlikely to be able to continue as a going concern. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

3 Basis of preparation and significant accounting policies (Continued)

d) Intangible assets – exploration and evaluation costs

Exploration and evaluation expenditure costs comprise costs associated with the acquisition of mineral rights and mineral exploration and are capitalised as intangible assets pending the feasibility of the project. They also include certain administrative costs that are allocated to the extent that those costs can be related directly to operational activities.

If an exploration project is deemed successful based on feasibility studies, the related expenditures are transferred to development and production assets and amortised over the estimated useful life of the ore reserves on a unit of production basis. Where a project is abandoned or considered to be no longer economically viable, the related costs are written off to profit or loss.

To date the PM plc Group has not progressed to the development and production stage in any areas of operation.

e) Impairment of non financial assets

The PM plc Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the PM plc Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the PM plc Group makes an estimate of recoverable amount. A previously recognised impairment 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.

f) Financial instruments

Financial assets

The PM plc Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Cash and cash equivalents: These include cash in hand, deposits held at call with banks and bank overdrafts.

Investments in subsidiaries: These are included in these financial statements at the cost of the ordinary share capital acquired. Adjustments to this value are only made when, in the opinion of the Directors, a permanent diminution in value has taken place and where there is no prospect of an improvement in the foreseeable future.

Financial liabilities

The PM plc Group classifies its financial liabilities as:

Trade and other payables: These are initially recognised at fair-value and then carried at amortised cost. They arise principally from the receipt of goods and services.

Equity instruments: These are recorded at fair value on initial recognition net of transaction costs.

3 Basis of preparation and significant accounting policies (Continued)

g) Provisions

A provision is recognised in the balance sheet when the PM plc Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

h) Current and deferred tax

The tax expense represents the sum of the current tax expense and deferred tax expense.

Tax payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or if from the initial liabilities in a transaction that affect either the taxable profit or the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

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

I) Pensions

Pension costs charged in the financial statements represent the contributions payable by the group during the year into defined contribution pension schemes.

j) Foreign currency

Functional and presentation currency
The consolidated financial statements are presented in US Dollars which is also the functional currency of the parent company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective PM plc Group entity, using the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
In the PM plc Group's financial statements, all assets, liabilities and transactions of PM plc Group entities with a functional currency other than the US Dollar are translated into US Dollar upon consolidation. The functional currency of the entities in the PM plc Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into US Dollars at the closing rate at the reporting date. Income and expenses have been translated into US Dollars at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

3 Basis of preparation and significant accounting policies (Continued)

Foreign currency (continued)

The principal exchange rates used to the US Dollar in the preparation of the 2014 financial statements are:

	Annual average		Year end	
	2015	2014	2015	2014
Sterling	1.5254	1.6462	1.4763	1.5586
PNG Kina	0.3596	0.3870	0.3326	0.3855
Australian Dollar	0.7544	0.8985	0.8181	0.8181
Euro	1.1031	1.3208	1.0866	1.2110

k) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive & Technical Director. They are the Directors of the PM plc Group that allocate resources to and assess the performance of the segments. The Directors consider there to be only one operating segment, being the exploration licences in Papua New Guinea.

l) Investments (parent company)

Investments held as non-current assets comprise investments in subsidiary undertakings and are stated at cost less any provision for any impairment.

m) Equity and reserves

Equity and reserves comprises the following:

- “Share capital” is the nominal value of equity shares.
- “Share premium” represents amounts subscribed for share capital in excess of nominal value, net of directly attributable issue costs
- “Share based payment reserve” represents a reserve arising on the grant of share options to certain Directors and key employees.
- “Other reserve” represents a reserve arising from a group reorganisation in 2011.
- “Retained deficit” comprises cumulative profit and loss to date.

n) Share based payments

The Group issues equity-settled share-based payments to certain directors and key employees. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. Fair value is measured by use of a Black Scholes model. The expected life used in the model has been adjusted, based on management’s best estimate, for the effect of non-transferability, exercise restrictions, and behavoural considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the option at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

3 Basis of preparation and significant accounting policies (Continued)

o) Critical accounting estimates and judgements

The PM plc Group makes estimates and assumptions concerning the future. The resulting estimates will by definition, seldom equal the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Certain amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, but actual results may differ from the amounts included in the financial statements. The Board has considered the critical accounting estimates and assumptions used in the historical financial information and concluded that the area of judgement that has the most significant effect on the amounts recognised in the financial statements concern.

Recoverability of deferred exploration costs

All costs associated with gold and copper exploration are capitalised on a project basis, pending a decision on the economic feasibility of the project. This capitalisation of such costs gives rise to an intangible asset in the consolidated statement of financial position. Exploration costs are capitalised where it is considered likely that the amount will be recovered by future exploitation, sale or alternatively where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This requires management to make estimates and assumptions as to the future events and circumstances, especially in relation to whether an economically viable extraction operation can be established. Such estimates are subject to change and following initial capitalisation, should it become apparent that recovery of the expenditure is unlikely, the relevant capitalised amount will be impaired and written off to the consolidated statement of comprehensive income on disposal of the net investment.

Functional currency of the parent company

Management has concluded that the US dollar is the currency of the primary economic environment in which the group operates and therefore it's functional currency. The US dollar is the currency in which business risks and exposures are measured and the Company's assets and liabilities are largely denominated and settled in US dollars.

p) Exceptional items

The PM plc Group has adopted an accounting policy and income statement format that seeks to highlight significant items of income and expense within PM plc Group results for the year. The Directors believe that this presentation provides a more helpful analysis as it highlights one-off items. Such items may include significant restructuring costs, profits or losses on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets and unforeseen gains/losses arising on derivative instruments. The Directors use their judgement in assessing the particular items, which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items.

4 Segmental reporting

During the year under review Management identified the PM plc Group's only operating segment as the exploration of gold and copper resources in Papua New Guinea. This one segment is monitored and strategic decisions are made based upon it and other non-financial data collated from the on-going exploration activities. All of PM plc Group's exploration assets are based in Papua New Guinea. The formats of financial reports that are reported to the Chief Operating Decision Makers are consistent with those presented in the annual financial statements.

5 Finance income

	2015	2014
	US$	US$
Bank interest received	3,303	18,951

6 Operating loss

	2015	2014
	US$	US$
Operating loss is stated after charging:		
Fees payable to the PM plc Group's auditor for the audit of PM plc Group's financial statements	38,000	46,255
Fees payable to the PM plc Group's auditor for taxation services	3,260	5,905
Share based payment expense	17,654	277,734
Foreign exchange losses	66,505	380,378
Impairment of intangible assets	9,114,063	746,451

7 Taxation

Group	**2015**	**2014**
	US$	US$
Domestic current year tax		
U.K. corporation tax - current year	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Income tax expense	-	-
Factors affecting tax charge for the year		
Loss on ordinary activities before taxation	(10,173,377)	(2,792,913)
Loss on ordinary activities at the UK standard rate of 20.00% (2014: 21.49%)	(2,034,675)	(600,197)
Effects of:		
Carried forward losses (UK)	121,840	104,641
Non-deductible expenses	1,912,835	511,674
Other tax adjustments	-	(16,118)
Current tax charge	-	-

The Group has UK tax losses of approximately $3,061,769 (2014: $2,452,569) available to carry forward against future trading profits, subject to agreement by HMRC. No provision has been made for a potential deferred tax asset of approximately $612,354 (2014: $490,514) arising from UK tax losses. The Group has not recognised a deferred tax asset on any losses carried forward due to the uncertainty of future profits.

8 Loss per share

Group	2015	2014
	US$	US$
Loss for the purpose of basic and diluted earnings per share	(10,173,377)	(2,792,913)
Numbers		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	52,146,466	43,340,059
	US$	US$
Loss per share – basic	(0.20)	(0.06)
Loss per share – diluted	(0.20)	(0.06)

Loss per share has been calculated by dividing loss for the year by the weighted average number of ordinary shares in issue during the year.

Diluted loss per share has been calculated by dividing the loss for the year by the weighted average number of ordinary shares in issue during the year adjusted to assume conversion of all dilutive potential options/warrants. In accordance with the provisions of IAS33, shares under option were not regarded as dilutive in calculating diluted earnings per share.

9 Intangible assets

Group	2015	2014
	US$	US$
Exploration costs		
Cost		
At beginning of year	17,767,542	12,881,863
Additions	1,363,328	4,885,679
At the end of year	19,130,870	17,767,542
Impairment		
At beginning of year	(746,451)	-
Impairment charge	(9,114,064)	(746,451)
At the end of year	(9,860,515)	(746,451)
Net book value	9,270,355	17,021,091

9 Intangible assets (Continued)

Company	2015	2014
	US$	US$
Exploration costs		
Cost		
At beginning of year	3,914,587	2,672,328
Additions	369,126	1,242,259
At the end of year	4,283,713	3,914,587
Impairment		
At beginning of year	(746,451)	-
Impairment charge	(1,768,631)	(746,451)
At the end of year	(2,515,082)	(746,451)
Net book value	1,768,631	3,168,136

The Directors have reviewed all exploration costs for indications of impairment. They have impaired exploration costs where the exploration project is no longer considered economically viable or where the carrying amount exceeds the recoverable amount. An assets recoverable amount is the higher of the assets fair value less costs to sell and its value in use. The impairment charge of $9,114,063(2014:$746,451) in respect of the Group intangible assets and $1,768,631 (2014:$746,451) in respect of the Company intangible assets, is included within administration expenses in the Consolidated Statement of Comprehensive Income.

In assessing the impairment charge, The Directors have considered economic factors and the mining industry as a whole and the effect of declining metal prices. Resource projects, some with proven reserves, are available for purchase now at lower prices than such projects would have received in a number of years ago. The Directors have also considered recent transactions within the industry where the acquisition price of similar companies has declined over the last number of years.

10 Investments

Company	2015	2014
	US$	US$
Investment in Papua Mining Limited	2,444,110	4,888,219

An impairment charge of $2,444,109 (2014: $Nil) was recognized by the Company in respect of the carrying value of investments during the year.

The Group's principal subsidiary undertakings at 31 December 2015, all of which are included in the consolidation, were as follows:

Name of Company	Proportion held	Class of shareholding	Nature of business	Country of incorporation
Subsidiary undertakings				
Papua Mining Limited	100%	Ordinary	Exploration	British Virgin Islands
Aries Mining Limited	100%	Ordinary	Exploration	Papua New Guinea
Sagittarius Mining Limited	100%	Ordinary	Exploration	Papua New Guinea

11 Trade and other receivables

Company	2015	2014
	US$	US$
Amounts owed by Group undertakings (non-current)	4,852,222	10,507,675

There are no fixed terms of repayment of amounts owed by Group undertakings, which are technically repayable on demand. As it is not intended for the amounts due to be repaid within one year these receivables have been classified in the financial statements as non-current assets. An impairment charge of $6,852,222 (2014:$Nil) in respect of the amounts owed by group undertakings, is included within administration expenses in the Company Statement of Comprehensive Income. The Directors consider the carrying value of trade and other receivables to equal their fair value.

12 Cash and cash equivalents

Group	2015	2014
	US$	US$
Cash at bank	299,183	2,513,874

Company	2015	2014
	US$	US$
Cash at bank	286,897	2,321,692

Cash and cash equivalents comprise cash.

The directors consider the carrying value of cash and cash equivalents to equal fair value.

13 Share capital

Group and Company	2015 Number	2014 Number
Issued share capital		
Ordinary shares of £0.10 ($0.16) each	-	51,215,534
Ordinary shares of £0.001 ($0.0016) each	82,105,534	-
Deferred shares of £0.099 ($0.1584) each	51,215,534	

	2015	2014
	US$	US$
Issued share capital		
Fully paid	8,230,864	8,194,453

Fully paid ordinary shares carry one vote per share and carry the right to dividends. There are no shares held by the entity or its subsidiaries or associates.

26,200,000 ordinary shares of £0.001 ($0.0012) each were issued at a price of £0.01 ($0.012) per share on 21 December 2015 and 2,590,000 ordinary shares of £0.001 ($0.012) each were issued at a price of £0.01 ($0.012) per share on 21 December 2015. In addition, 2,100,000 ordinary shares of £0.001 were issued to a trade creditor in settlement of an invoice for £21,000.

On 21 December 2015 the Ordinary Share capital of £0.10p was divided in Ordinary Share capital of £0.001 and Deferred Share capital of £0.099p. The Deferred Share capital has no income or voting rights and will be entitled to receive the amount paid up on a winding-up once the ordinary share capital has received £1,000,000 per ordinary share held.

On 21 December 2015 warrants were issued over 3,000,000 ordinary shares of £0.001, exercisable over five years at a price of £0.01 per share.

13 Share capital (Continued)

Share premium

The share premium account represents amounts subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

Capital management

The Group's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to ensure sufficient resources are available to meet date to day operating requirements. The Group defines capital as 'equity' and 'cash' as shown in the consolidated statement of financial position. As at 31 December 2015 the Group held equity and cash balances of $9,318,651 and $299,183 (2014: $19,110,268 and $2,513,874) respectively.

The Board of Directors takes full responsibility for managing the Group's capital and does so through board meetings, review of financial information, and regular communication with officers and senior management.

In order to maximise ongoing development efforts, the Company does not pay dividends. The Group's investment policy is to invest its cash in deposits with high credit worthy financial institutions with short term maturity. The Group expects its current capital resources will be sufficient to carry out its operating plans over the foreseeable future.

14 Share based payments

Details of share options granted are as follows:

	2015		2014	
	Number of options	Weighted average exercise price ($)	Number of options	Weighte d average exercise price ($)
Outstanding at 1 January 2015	2,860,724		2,840,724	
Granted during the year	6,620,421		20,000	
Surrendered during the year	(2,860,724)		-	
Outstanding at 31 December 2015	6,620,421	0.02	2,860,724	0.75
Exercisable at 31 December 2015	2,206,807	0.02	2,860,724	0.75

No shares options were exercised in this or the prior period.

On 21 December 2015 share options were granted over 6,620,421 ordinary shares to certain employees. These share options are exercisable at £0.02125 ($0.023) and the vesting periods are, 2,206,807 immediately on raising future fundraising, one year (2,206,807 shares) and two years (2,206,807) from the grant date. The options lapse on the tenth anniversary of the grant date.

On 26 September 2014 share options were granted over 20,000 ordinary shares to certain employees. These share options are exercisable at £0.27 ($0.43) and the vesting periods are one year (10,000 shares) and two years (10,000) from the grant date. The options lapse on the fifth anniversary of the grant date.

On 16 May 2013 share options were granted over 120,000 ordinary shares to certain employees. These share options are exercisable at £0.77 ($1.25) and the vesting periods are one year (60,000 shares) and two years (60,000) from the grant date. The options lapse on the fifth anniversary of the grant date.

On 18 September 2012 share options were granted over 80,000 ordinary shares to certain employees. These share options are exercisable at £0.54 ($0.88) and the vesting periods are one year (40,000 shares) and two years (40,000 shares) from the grant date. The options lapse on the fifth anniversary of the grant date.

On 2 March 2012 share options were granted over 2,640,724 ordinary shares to certain Directors and key employees. These share options are exercisable at £0.44 ($0.72) and the vesting periods are one year (846,908 shares), two years (896,908) and three years (896,908) from the grant date. The options lapse on the tenth anniversary of the grant date.

14 Share based payments (Continued)

The inputs into the Black Scholes model are as follows:	2015	2014	2013
Share price	1.88p	27.25p	51.5-76.5p
Exercise price	2.12p	26.5p	51.5-76.5p
Expected volatility	32%	50-71%	78-119%
Expected life	1-2years	1-2 years	1-2 years
Discount rate	1.87%	1.5%	1.5%

Expected volatility was determined by reference to the historical volatility of the share price of the Company. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group recognised total expenses of $17,654 (2014: $277,734) relating to equity-settled share based payment transactions in the year.

15 Trade and other payables

Group	**2015**	**2014**
	US$	US$
Trade payables	77,254	207,760
Other payables	168,858	106,768
Accruals	22,817	110,169
	268,929	424,697

Company	**2015**	**2014**
	US$	US$
Trade payables	77,254	207,760
Other payables	172,378	110,288
Accruals	22,819	110,169
	272,451	428,217

The Directors consider the carrying value of trade and other payables to equal their fair value.

16 Financial instruments

In common with other businesses, the PM plc Group is exposed to risks that arise from its use of financial instruments. This note describes the PM plc Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 3.

The PM plc Group does not have any derivative products or any long term borrowings. The PM plc Group is not exposed to interest-bearing indebtedness. The exploration activities of the PM plc Group were financed by proceeds of issue of shares.

16 Financial instruments (Continued)

Principal financial instruments

The principal financial instruments used by the PM plc Group, from which financial instrument risk arises, are as follows:

	2015	2014
	US$	US$
Financial Assets		
Cash and cash equivalents	299,183	2,513,874
Financial Liabilities		
Trade payables	77,254	207,760
Other payables	168,858	106,768
	246,112	314,528

The Directors consider that the fair value of the above financial instruments is equal to the carrying values.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the PM plc Group's risk management objectives and policies and, while retaining ultimate responsibility for them, has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the PM plc Group's finance function. The Board receives regular reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the PM plc Group's competitiveness and flexibility. The Directors consider that the risk components detailed below apply to the PM plc Group and is managed at Group level.

Credit risk
Credit risk refers to the risk that the PM plc Group's financial assets will be impaired by the default of a third party. The PM plc Group is exposed to this risk primarily on its cash and cash equivalents as set out in note 12. Credit risk is managed by ensuring that surplus funds are deposited only with well-established financial institutions of high quality credit standing.

Foreign currency risk
Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The PM plc Group operates primarily in Papua New Guinea. Transactions are substantially denominated in PNG Kina, Australian $, Sterling and US Dollars (its reporting currency). As such the PM plc Group is exposed to transaction foreign exchange risk. The mix of currencies and terms of trade with its suppliers are such that the Directors believe that the PM plc Group's exposure is minimal and consequently they have not, to date, specifically sought to hedge that exposure. Most of the PM plc Group's funds are in Sterling with only sufficient funds held overseas to meet local costs. Funds are periodically transferred overseas to meet local costs when required.

Commodity price risk
Commodity price risk is the risk that the PM plc Group's future earnings will be adversely impacted by changes in the market prices of commodities. The PM plc Group is exposed to commodity price risk as its future revenues may be determined by reference to market prices of copper and gold.

Liquidity risk
Liquidity risk relates to the ability of the PM plc Group to meet future obligations and financial liabilities. To date the PM plc Group has relied upon shareholder funding of its activities. Future exploration and development activities may be dependent upon the PM plc Group's ability to obtain further financing through equity financing or other means. Although the PM plc Group has been successful in the past in obtaining equity finance there can be no assurance that the PM plc Group will be able to obtain adequate financing in the future or that the terms of the financing will be favorable.

The financial statements have been prepared on a going concern basis and note 3(c) provides further information in this regard.

16 Financial instruments (Continued)

Sensitivity analysis

Foreign currency sensitivity analysis
Currency risks are defined by IFRS 7 as the risk that the fair value or future cash flows of a financial asset or liability will fluctuate because of changes in foreign exchange rates.

The following table details the transactional impact of changes in foreign exchange rates on financial assets and liabilities at the Balance Sheet date, illustrating the (decrease)/increase in PM plc Group operating result caused by a 10% strengthening of Sterling, PNG Kina and the Euro compared to the year end spot rate. The analysis assumes that all other variables, in particular other foreign currency exchange rates, remain constant. The PM plc Group operates in four different currencies, and those with a material impact are noted here:

	Year ended 31 December 2015 US$	**Year ended 31 December 2014 US$**
Sterling	(35,740)	(153,159)
PNG Kina	(1,239)	(19,218)
Euro	-	-
Australian Dollar	(147)	(86,442)

17 Capital commitments

The PM plc Group's capital commitments relate to licence expenditure and related exploration activities, the cost of which will be met from future fundraising.

The PM plc Group currently holds six Exploration Licenses and three further licenses are currently under application. If all of the licence applications are granted, the Group's licences will have total expenditure commitments of approximately US$0 million over the coming 12 month period.

18 Staff costs

Number of employees

The average monthly number of employees (excluding Directors) of the Group during the year was:

	2015	**2014**
Administration	3	5
Technical	7	58
	10	63

Employment costs (including directors)

	2015 US$	**2014** US$
Wages and salaries	359,257	860,063
Social security costs	15,725	36,222
Pension costs	43,716	60,181
Employee share based payment charge	17,654	277,734
	436,352	1,234,200

19 Directors emoluments

Aggregate emoluments, including benefits in kind, by director are as follows:

2015 Directors	**Directors' fees**	**Salary**	**Pension contributions**	**Sub total**	**Medical insurance**	**Social security costs**	**Total**
	US$	US$	US$	US$	US$	US$	US$
H McCullough	-	116,667	15,308	131,975	-	12,541	144,516
K Harrington	-	187,500	15,308	202,808	-	16,125	218,933
M Jolliffe	-	41,292	-	41,292	-	-	41,292
G Palm	-	30,969	-	30,969	-	3,716	34,685
K Lough	-	30,969		30,969	-	3,716	34,685
	-	407,397	30,616	438,013	-	36,098	474,111

2014 Directors	**Directors' fees**	**Salary**	**Pension contributions**	**Sub total**	**Medical insurance**	**Social security costs**	**Total**
	US$	US$	US$	US$	US$	US$	US$
H McCullough	-	200,000	25,576	225,576	12,957	21,500	260,033
K Harrington	-	250,000	25,576	275,576	7,897	21,500	304,973
M Jolliffe	7,402	67,029	-	67,029	-	-	74,431
G Palm	-	56,304	-	56,304	-	5,657	61,961
K Lough	-	56,304	-	56,304	-	5,657	61,961
	7,402	629,637	51,152	680,789	20,854	54,314	763,359

Share options are held by the directors as follows:

	2015 Number of options	**2014 Number of options**
Michael Jolliffe	626,763	250,000
Hugh McCullough	1,997,886	796,908
Kieran Harrington	1,997,886	796,908

The key management personnel of the Group are considered to be entirely represented by the Directors.

No Director has yet benefitted from any increase in value of share capital since issuance of the options.

No Director exercised share options in the year.

20 Related party transactions

As well as remuneration of Directors (note 19), the following transactions fall within the scope of IAS 24 Related Party Disclosures.

(1) The Company was charged fees of $3,667 (2014: $3,713) during the year by AA Corporate Management in respect of accounting and company secretarial services. AA Corporate Management is controlled by Antoine Awad, a director of Papua Mining Limited.

(2) Wighams Capital Partners Limited, a company connected to the director Michael Jolliffe, charged fees of $0 (2014: $7,402) to the company during the year. These fees are included within the remuneration stated in note 19.

At 31 December 2015 there were $Nil (2014: $Nil) amounts payable to the above related parties.

21 Post Balance Sheet Events

On May 16, 2016, the Company issued 2,000,000 ordinary shares of £0.001 at a price of £0.03 per share. A further 666,667 ordinary shares of £0.001 were issued on the same day to a trade creditor in settlement of an invoice for £20,000.

22 Control

The company is quoted on AIM and there is no individual controlling party. The Directors' Report provides details of those shareholders with an individual holding exceeding 3% of issued share capital.