SABLE MINING AFRICA LTD

Focusing on Iron Ore

Sable Mining
Report and Accounts
2013/2014

Sable Mining Africa Limited is an AIM listed resource company focused on the development of the high grade, high tonnage and low capex Nimba Iron Ore Project in south-east Guinée.

Nimba is a significant new iron ore discovery, which, with a current mineral resource of 181.8Mt at an in-situ grade of 58.8% iron and significant further resource upside, has already been demonstrated as one of the largest undeveloped on- or near-rail DSO projects to be held outside the major mining companies in West Africa.

Highlights 2013/2014

Largest
Nimba distinguished as one of the largest undeveloped on- or near-rail DSO projects to be held outside the major mining companies in West Africa

58.8% Fe
Maiden JORC Reserve of 53.96Mt at a grade of 61.6% Fe, a mineral resource of 181.8Mt at a grade of 58.8% Fe

US$299.3m
Preliminary Feasibility Study ('PFS') confirmed commercial viability of Nimba – comparatively low capex of US$299.3 million projected

3Mt
PFS based on a 3Mt per annum steady production rate over a mine life of in excess of 25 years

High grade
High grade Direct Shipping Ore ('DSO') and Low Deleterious Elements – only a simple crush and screen process will be required in the early years of production

200Mt
Significant Resource upside potential – current Exploration Target of 200Mt over Plateaux 2 & 3, Plateau 1 yet to be drilled

Support
Willingness of local governments to support development of Nimba

Target
Clear pathway to production – Bankable Feasibility Study targeted for H1 2015

Sable Mining at a Glance

Where We Operate

Sable Mining's flagship Nimba Iron Ore Project is located in south-east Guinée, close to the border with Liberia and Ivory Coast.

Why Nimba?

See page 4 for a detailed review of the Nimba Iron Ore Project

WEST AFRICA

GUINÉE

SIERRA LEONE

Nimba Iron Ore Project

LIBERIA

Key
Iron ore deposit
Existing rail hauling ore

High grade iron ore mineralisation

Test work programme at Nimba

Bulk commodity loading quay at Buchanan

Total JORC Resource

The Company currently has a global JORC resource of 181.8Mt at an in-situ grade of 58.8% iron. This Mineral Resource Estimate has been calculated from drilling campaigns across Plateaux 2 and 3 of the Nimba Iron Ore Project. The to-date undrilled Plateau 1 covers an area larger than either Plateaux 2 or 3 and the Company has previously released an exploration target of 261Mt for Plateau 1 based on ground penetrating radar, demonstrating the potential for significant further resource upside.

Total JORC resource growth 2013–14

2013 Aug	2013 Sept	2013 Nov	2014 April
121.5 Mt	**135.5**Mt	**178.4**Mt	**181.8**Mt

Proximity of Infrastructure

There is an existing under-utilised standard gauge railway located 26km away from the Nimba Project, which links the area to the Port of Buchanan, 267km away on the coast of Liberia.

An export decree permitting the export of iron through Liberia from the Nimba Iron Ore Project was granted by the Government of the Republic of Guinée in October 2013. This was followed by the signing of a memorandum of understanding with the Government of Republic of Liberia, the purpose of which is to enable the parties to conduct technical due diligence, third party discussions and negotiations with a view to entering into a binding infrastructure development agreement relating to the development, use and operation of rail and port infrastructure in Liberia, for the purposes of exportation of iron ore products from the Nimba Iron Ore Project.

See page 10 for more information

Strategy

Due to the significant potential of the Nimba Iron Ore Project to rapidly become a world class iron ore production asset, Sable Mining's primary focus is on the rapid advancement of the asset.

In line with this strategy, the Board is focused on achieving the necessary milestones, including receiving environmental approvals and being granted rail allocation. With a defined development pathway in place, the Board believe that the Nimba Iron Ore Project will begin commercial iron ore production in 2016.

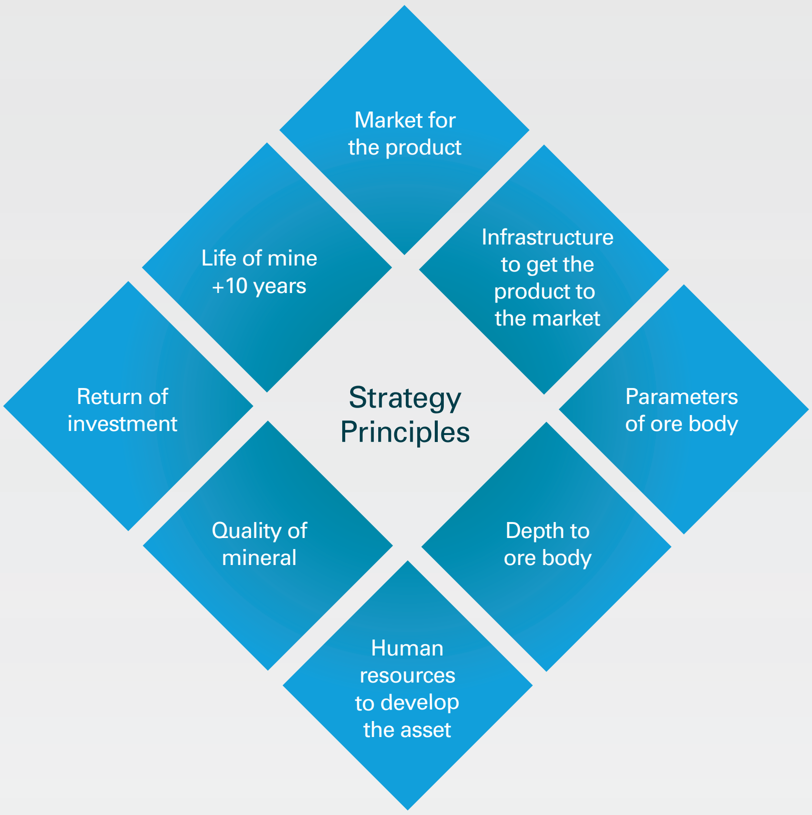
Aside from the Nimba Iron Ore Project, Sable Mining retains interests in additional iron ore and coal assets. In light of the macro-economic conditions affecting both coal and iron ore, the Board has undertaken a strategic review of these non-core projects to realise value from these investments.

Canga mineralisation at surface

Near-surface Mineralisation

It is important to note that Nimba's high grade iron ore mineralisation occurs at surface, which will reduce the stripping ratio to negligible levels and significantly enhances the economics of the Project. This surface mineralisation stems from the unique way in which the Nimba ore body evolved. Located at the base of a very steep mountain, Mount Nimba, the Project's plateaux were historically the subject of a high-energy environment, within which non-iron boulders were essentially smashed and eroded away at the base, forming high-grade canga in deep paleo-channels.

See page 5 for more information



"Nimba is a uniquely attractive iron ore development asset, combining high grade, high tonnage, virtually no strip ratio and proximal rail infrastructure.

Overview
Business Review
Governance
Financial Statements

Why Nimba?

Our Investor Proposition

Value Drivers

The Board of Sable Mining believes that the Nimba Iron Ore Project in south-east Guinée ('Nimba') is one of the most commercially attractive high grade DSO deposits globally.

The size and grades received to date place Nimba amongst one of the most significant iron ore projects being developed worldwide.

With a significant DSO resource already delineated, and the strong potential for considerable additional tonnage to be defined through further drilling coupled with the presence of existing infrastructure in the area, the Board is confident that Nimba can be developed into a high grade, high margin, low capex mining asset in the near term.

US$299.3m

Capital cost to production

61.6% Fe

Product quality

0.1 : 1

Strip ratio

50% : 35% : 15%

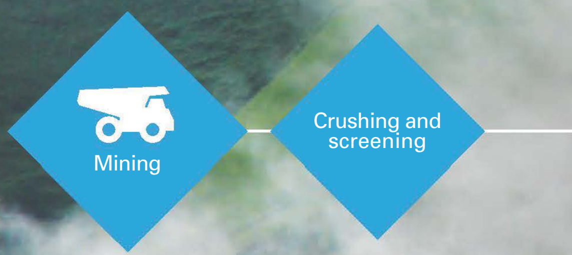
Lump : fines : LG fines ratio

Development Milestones

The Board and management team of Sable Mining and its partners have worked closely with the Government of the Republic of Guinée and the Government of the Republic of Liberia in order to achieve the key development milestones required ahead of mine construction.

Mining Licence	**Granted**	Sept 2013
Export Licence	**Granted**	Oct 2013
Infrastructure MOU	**Signed**	Nov 2013
Pre-Feasibility Study	**Completed**	Mar 2014
Rail & port infrastructure development agreement	**Pending**	Expected H2 2014
Bankable Feasibility Study	**Pending**	Expected H1 2015

Direct Shipping Iron Ore (DSO) Process



Infrastructure

Nimba, compared to many of its West African peers, benefits from established rail infrastructure.

An under-utilised, multi-user, standard gauge rail line is located 26km away from the Nimba Project, linking the region to the Port of Buchanan in Liberia.

An export decree enabling Sable Mining to export iron ore from Nimba through Liberia was granted in October 2013.

267km from port

26km from existing rail

DSO-grade Iron Ore

A significant DSO Resource has been delineated at Nimba, and recent metallurgical results have highlighted the Project's commercial viability.

The test work has demonstrated that the iron mineralisation is amenable to relatively low cost production as the deposit contains easily fragmented rock, allowing for high crushing rates at low power consumption, and can be separated from gangue elements using a simple gravity circuit to further upgrade the ore.

The Board is therefore confident that Nimba has strong potential to become a high tonnage, high grade and low cost production asset in the near term.


RIG 5

Business Review

Chairman's Statement

Sable Mining continues to move up through the gears targeting production at Nimba in 2016. The milestones that we delivered to date have laid a solid foundation for our future development pathway, and our sights are now set on achieving our key corporate and operational targets ahead the commencement of construction.

It gives me great pleasure to write my inaugural Chairman's Statement to shareholders, following my appointment in January 2014.

Firstly, I would like to take this opportunity to explain why Sable Mining attracted me to its helm. To clarify this, and as a précis to my background, I have spent the past many years evaluating iron ore assets and opportunities across the world, to come across an undeveloped asset of Nimba's quality, with proximal rail infrastructure, Sable Mining's flagship asset was instantly distinguished as an exceptional project.

After viewing numerous assets with huge tonnage potential, positing themselves as +30Mt per annum producers, investors of late have baulked at the high capital intensity and associated risk. This is where Nimba's exceptional value is highlighted; by combining high grade DSO material (thus requiring limited processing), virtually no strip ratio and proximal infrastructure, capital and operating costs at Nimba are anticipated to be relatively modest. With the combination of strong support from local stakeholders for the development of this asset, and this region of south-east Guinée as a whole, I believe that Sable Mining has a truly world-class asset with near term production potential.

These fundamentals were demonstrated to the market in March this year, through the publication of a PFS on Nimba. The announcement, which included an initial maiden JORC Reserve of 53.96Mt at a grade of 61.6% iron ('Fe') (calculated from the previous August 2013 JORC Resource of 135.5Mt @ 59.4% Fe), gave an early tangible insight into the considerable commercial value of Nimba. One of the most important aspects of the PFS was the capex forecast of US$299.3 million; in a market where capex for iron ore projects regularly runs into the US$ billions, this is a highly important differentiator. Operating costs (FOB Port Buchanan) were projected to be US$44/t and US$49/t based on Panamax direct loading to Europe and Transhipment plus Capesize to Asia respectively. With iron ore prices still remaining in the doldrums, with the iron ore 62% Fe spot sitting at US$82.0/t at the time of writing, Nimba still distinguishes itself as a competitive producer.

181.8Mt
Current JORC Resource

53.96Mt
Current JORC Reserve

The PFS assumptions were based on an initial steady run rate of 3Mtpa over a mine life of in excess of 25 years. This mine life was calculated based on the (then) current JORC Resource of 178.1Mt, however this was updated to 181.8Mt at a grade of 58.8% Fe in April 2014. Further to this, there remains a considerable amount of potential resource upside, with a current exploration target of 200Mt from Plateaux 2 & 3, in addition to potential tonnages being added from the undrilled Plateau 1, the prospect of further material resource increases is clearly evident. While 3Mtpa is the basis for the current project there remains an opportunity for significant expansion in the future.

My arrival at Sable Mining comes at an opportune time in the Company's evolution into a development and production company. My expertise derives from the marketing of iron ore products – and this will be of particular strategic importance over the next 18 months as we move towards production. Nimba benefits from a ~50% high grade, hard lump fraction, which translates into a highly marketable premium product. Initial metallurgical results have highlighted that the material tested exceeds the grade characteristics for both the Newman High Grade Lump ('NHGL') and Newman High Grade Fines ('NHGF') categories. This positions us strongly for export discussions into numerous markets, including Europe and China. With this in mind, it is important to note that Sable Mining has not yet entered in to any off-take agreements, leaving all financing options open to us at this time. As we progress towards the completion of the Bankable Feasibility Study in H1 2015, the Board will evaluate financing opportunities including project finance, debt, off-take and equity raisings, ensuring that we take the route which will simultaneously limit dilution and minimise risk. I believe that this approach will continue to keep our shareholders aligned with the advancement of Nimba and gain maximum exposure to the anticipated increase in value that the Project generates through the development and construction process.

In tandem with keeping the desires of our shareholders at the fore, we have also continued to strive to deliver the optimum pathway for development at Nimba for the benefit of all stakeholders. The Project's transition into the production phase during the next 18 months will crystallise the value of this strategic national asset, and will make tangible contributions in both Guinée and Liberia through the generation of revenue, creation of employment and other ancillary benefits. The spirit of co-operation between the Governments of the Republic of Guinée and the Republic of Liberia, Sable Mining and its partners, has been highlighted by the grant of the Export Decree and Mining Licence by the Government of the Republic of Guinée and the MOU with the Government of Liberia regarding infrastructure development. These relationships will remain critical to the onward development of Nimba, and I am delighted that this coalition will continue to reap rewards for the entire area – opening the region up to external investment in order to promote and thereby generate revenue from the development of its world-class natural resource base.

Financial Review

This is a resource development Group and as such is not revenue generating. Accordingly Sable Mining is reporting for the year ended 31 March 2014 a pre-tax loss on continuing activities of US$39.6 million (2013: US$31.7 million). Included within pre-tax losses was an impairment of intangible assets of US$27.8m (2013: US$17.0 million). This principally relates to the Group's Zimbabwean coal assets and has been necessitated as the Group focuses on developing its Nimba Project.

The Group entered into an agreement to dispose of its 63.5% holding in Delta Mining Corporation (DMC) on 30 May 2014. The consideration due on completion comprises of US$1.5m in cash and a loan note for US$18.5m. The loan note is repayable from a royalty per tonne on future production. DMC has been classified in these financial statements as an asset held for sale at the carrying value US$1.5m equal to the cash consideration receivable. The loan note is treated as a contingent asset due to uncertainties over the commencement of production. This gave rise to a loss on discontinued operation of US$10.2 million (2013: US$43,263 loss).

On the 30 October 2013 the Group successfully placed 180 million ordinary shares at £0.095 raising US$27.1m of gross proceeds. This fund raising was to finance the Bank Feasibility Study (BFS) for the Nimba Project. The Group has adequate treasury, as at 31 March 2014 cash balances were US$20.1 million (2013: US$15.9 million).

Outlook

Since acquiring its interest in Nimba in February 2012, the Group commenced an intensive development process, which has continued to highlight Nimba as a world-class iron ore project with almost unparalleled commercial potential in West Africa.

Sable Mining continues to move up through the gears targeting production at Nimba in 2016. The milestones that we delivered to date have laid a solid foundation for our future development pathway, and our sights are now set on achieving our key corporate and operational targets ahead the commencement of construction. These objectives include signing the infrastructure development agreement with the Government of the Republic of Liberia, further to the Memorandum of Understanding (MOU) announcement of 26 November 2013, in addition to seeking the other mandatory elements to secure our end-to-end logistics chain including the lease agreement with the Liberia National Port Authority and the rail agreement with the Government of Liberia. In conjunction with securing these key components to establish our access to export markets, we will also be progressing our BFS which is due for publication in H1 2015. Numerous features of the study are now well advanced.

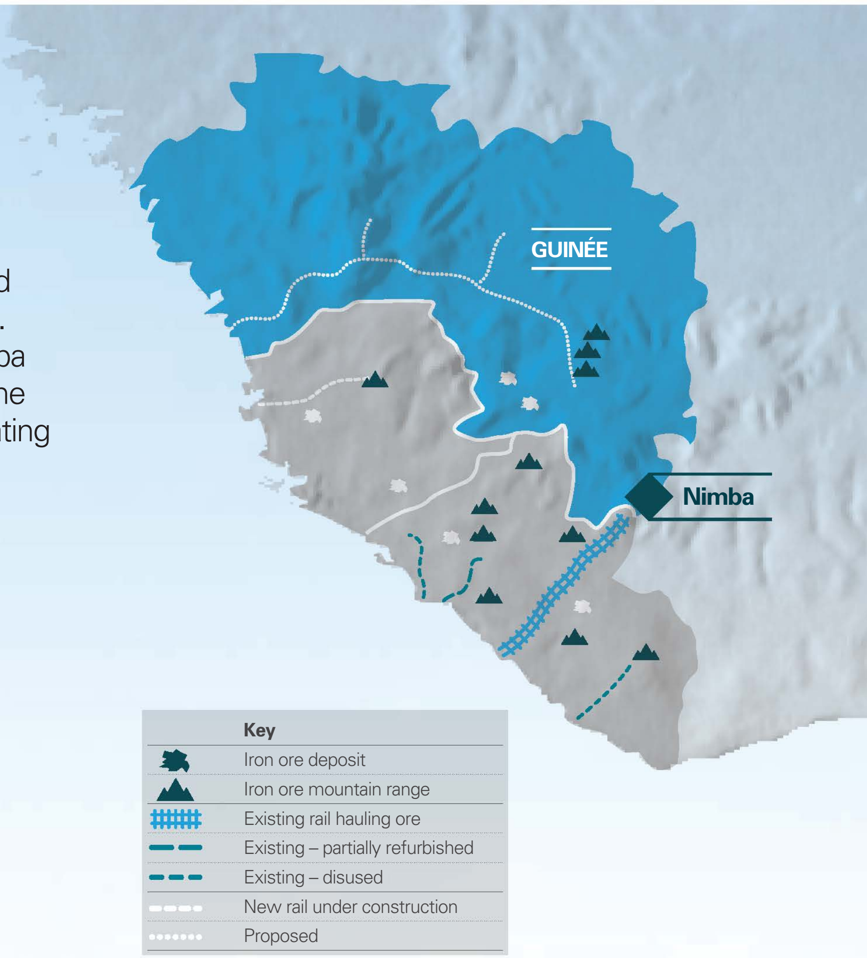
Finally, I would like to take this opportunity to thank my predecessor Phil Edmonds, who remains an important figure on our Board, for his invaluable contributions which have developed Sable Mining into one of the premier listed iron ore focused exploration and development companies. I would also like to thank our wider team, together with our investors and stakeholders, for their continued support and commitment as we look to transition into a new high grade, low cost iron ore producer with our flagship Nimba Project.

Jim Cochrane
Non-Executive Chairman
16 September 2014

Operations Review
Nimba Iron Ore Project: The Opportunity

Sable Mining's primary interest is the Nimba Iron Ore Project in south-east Guinée ('Nimba' or 'the Project').

The Group acquired the interest in Nimba in February 2012 through the Group's 80% owned Guinean subsidiary, West Africa Exploration SA. The Group initiated exploration activities at Nimba in March 2012 with the intention of assessing the resource potential of the Project and demonstrating its viability for commercial production in the near term.



Nimba is a significant new iron ore discovery, which, with a current JORC Reserve of 53.96Mt at a grade of 61.6% iron, a mineral resource of 181.8Mt at an in-situ grade of 58.8% iron and a total exploration target of 200Mt, is one of the largest undeveloped high grade DSO projects located near to existing infrastructure. With a Mining Licence, export decree and infrastructure development Memorandum of Understanding in place, the Group has made significant important advancements towards commencing commercial production. With this in mind, the Board's attention remains centred on transforming Nimba into a low-cost, high grade iron ore producer, with low capital intensity, by the end of 2016.

Project Background

The Nimba Iron Ore Project is located in the far south-east of Guinée, in close proximity with the border of Liberia and Cote D'Ivoire, and approximately 800km by road to the country's capital, Conakry, 26km from an existing operating railway at Tokadeh, Liberia and 267km from Port Buchanan.

The Project is located in an area renowned for iron ore mineralisation, and is at the base of Mount Nimba, one of the highest iron ore peaks in Africa with an elevation of 1,000m. The steep relief of Mount Nimba towards the Project has created a geological anomaly, driving abnormal weathering processes and creating a unique series of plateaux yielded high grade iron ore deposit with virtually no strip ratio, in a terrain which has demonstrated itself to be simple to mine and process, through blast and crush methods.

Shipment at Buchanan

Flat Nimba plateaux

26km

The Nimba Project is located approximately 26km from the existing standard gauge railway in Liberia

Q1 2016

Targeted commencement of production

Operations Review
Nimba Iron Ore Project: The Opportunity
continued

The potential value of Nimba was immediately apparent and our exploration teams have sought to realise the exploration potential of the Project through numerous drilling programmes, metallurgical test work and feasibility studies.

In March 2014 the Group announced the completion of a Preliminary Feasibility Study ('PFS') conducted on the Project. In conjunction with the development of the PFS, an initial maiden JORC Reserve of 53.96Mt at a grade of 61.6% Fe was calculated from the August 2013 JORC Resource of 135.5Mt @ 59.4% Fe. This resource was subsequently updated in November 2013 and again in April 2014 to 181.8Mt at an in-situ grade of 58.8% Fe estimated at a Fe cut-off of 40% and the reserving process is expected to increase proportionately.

The PFS was an important milestone for Sable Mining as it provided a first tangible insight into the value of Nimba. The key findings of the PFS are tabulated below:

Production rate	3Mtpa
Life of Mine (based on current Resource)	+25 years
Capital cost to production	US$299.3 million
Operating costs:	
– FOB Port Buchanan (Panamax direct loading – Europe)	US$44/t
– FOB Port Buchanan (Transhipment plus Capesize – Asia)	US$49/t
Product quality	61.6% Fe
Lump : Fines : LG fines ratio	50% : 35% : 15%
Strip ratio (waste:ore)	0.1:1
Targeted commencement of production	Q1 2016
Production ramp-up	
– Year 1	1.5Mtpa
– Year 2	3.0Mtpa

These findings demonstrate Nimba to be a commercially attractive high DSO grade iron ore development project and underscores the main value drivers that we have been focussing on; high grade ore and low capital cost. Of particular import is the comparatively low capex of US$299.3 million to bring Nimba into production, which includes a US$39.7 million contingency, a key differentiator which sets this project apart from many other iron ore development projects.

It is also important to note the considerable further upside that Nimba can deliver – the current JORC Reserve which underpins the PFS represents only a fraction of the Group's current JORC Resource of 181.8Mt, which in turn only covers an area of Plateaux 2 and 3. With this in mind, the parameters of the PFS have significant potential to be enhanced, as additional tonnage is proved up and converted to a Reserve category, in addition to further exploration potential from the as yet undrilled Plateau 1.


Infill drilling at Nimba


Drill core analysis


Exploration team on site

Nimba Iron Ore Project – Current JORC Resource

Category	Fe Cut-off (%)	Tonnes* (Mt)	Bulk Density (t/m³)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Indicated	40	148.4	2.71	59.0	4.7	4.1	0.08	6.3
Inferred	40	33.4	2.67	57.7	5.3	5.0	0.08	6.6
Total	40	181.8	2.70	58.8	4.9	4.3	0.08	6.3

* The tonnage has been factored to account for cavities

Expanding the Project's JORC resource has been central to the Group's objectives at Nimba, and in line with this, the period under review saw two Resource upgrades, and a further update post period end in April 2014. The current JORC Resource, which was conducted by Xstract Mining Consultants, an Australia-based consultancy group and wholly-owned subsidiary of engineering services Group Calibre Group, which has significant expertise in iron ore, is tabulated below: Nimba Iron Ore Project – Current JORC Resource.

26km

The Nimba Project is located approximately 26km from the existing standard gauge railway in Liberia

58.8%

In-situ grade of iron of the Nimba Project JORC resource

Exploration team on site

Nimba: A Timeline

2011

August	Discovery of canga iron ore on Plateau 1 following identification of potential from satellite imagery
October	Discovery of canga iron ore on Plateaux 2 & 3

2012

January	Granting of Permit de Recherche A2012/009/DIGM/CPDM for 104 km^2
April	Commenced reconnaissance drilling campaign on Plateau 2
June	Completion of Ground Penetrating Radar Survey on Plateaux 1, 2 and 3 and camp construction completed
July	Assay results confirm potential Direct Shipping Ore tonnage up to 200Mt @ >58% Fe
September	Commenced resource evaluation infill drilling on Planetaya area of Plateau 2
November	Commenced metallurgical test work
December	Metallurgical test work indicates that simple crush and screen processing will produce premium quality DSO product

2013

February	Maiden JORC compliant resource declared – 121.5Mt @ 57.8% Fe
May	Exploration Target of up to 80Mt of canga material delineated on mineralised extension
September	Resource upgrade
September	Mining Licence
October	Guinean government export approval
November	Infrastructure MOU signed

2014

March	Pre-feasibility study
April	Resource upgrade

LOOKING AHEAD

2014	Infrastructure Development Agreement
H1 2015	Bankable Feasibility Study
2015	Financing and commencement of construction
2016	Production

Operations Review
Nimba Iron Ore Project: The Opportunity
continued

Nimba benefits from high grade canga mineralisation with low deleterious elements and this is expected to impact positively on the Project's capital expenditure requirements, as only a simple crush and screen process will be required in the early years of production. Metallurgical test work has demonstrated a lump fraction of 40%, and confirmed fines DSO yield of 84% from simple crush and screen processing. In addition, work on the tailings material in the fines fraction showed that this material has a 72%–78% yield to a beneficiated 63%–65% Fe concentrate. Whilst the Group remains focused on its considerable DSO mineralisation, this latter information has the potential to significantly enhance the economics of the entire Nimba operation, through the potential conversion of the Nimba flank material into Reserve status in the future.

Further metallurgical sampling is currently underway at Nimba, with shipment of the initial ~4,000kg of sample ore from Plateau 2 sent to Perth, Western Australia for sinter testing, decrepitation and drop testing in Q2 2014.

A key differential for Nimba remains its proximity to established rail infrastructure – a highly important feature which has the potential to dramatically reduce capital intensity and thereby enhance financial returns for the Project.

Nimba is located approximately 26km away from a standard gauge railway, with spare capacity, linking the region to the major Liberian port of Buchanan. In October 2013, the Group announced the granting of an export decree by the Government of the Republic of Guinea, authorising Sable Mining, through its 80% owned subsidiary West African Exploration SA ('WAE'), to export iron ore through Liberia. The granting of the export decree was a major endorsement for Sable Mining and represented a critical milestone to achieving access to existing infrastructure.

This progress was further compounded in November 2013 by the signing of a memorandum of understanding between WAE and the Government of the Republic of Liberia, the purpose of which is to enable the parties to conduct technical due diligence, third party discussions and negotiations with a view to entering into a binding infrastructure development agreement relating to the development, use and operation of rail and port infrastructure by WAE in Liberia, for the purposes of exportation of iron ore products from Nimba.

Sable Mining was granted in September 2013, by the Government of the Republic of Guinea, a Mining Licence for Nimba which was followed in October 2013 by the aforementioned export authorisation. These two key developments not only reflect the progress made between Sable Mining, its partners and the Guinean Government towards generating revenue from this highly exciting asset, but also de-risks the onward advancement of Nimba to additional stakeholders.

Maiden JORC Compliant Ore Reserve

In conjunction with the development of the PFS, an initial maiden JORC Reserve of 53.96Mt at a grade of 61.6% Fe has been declared as follows:

Nimba Iron Ore Project classified reserve statement (JORC 2004)

Probable Reserve	Tonnes	Fe (%)	SiO_2 (%)	AL_2O_3 (%)	P (%)	LOI (%)
Lump	27,154,938	63.1	2.1	2.3	0.08	5.7
Fines	19,372,927	62.0	3.0	2.0	0.08	4.5
Low Grade Fines	7,432,314	55.2	4.9	6.2	0.08	8.1
Total	**53,960,179**	**61.6**	**2.8**	**2.7**	**0.1**	**5.6**

The maiden Reserve was derived from only the Indicated component of the Resource declared in August 2013. The maiden Reserve did not benefit from the subsequent Resource upgrades declared in November 2013 or April 2014 (for current Resource estimate see table on page 12 of this report).


Drill core analysis


Exploration team on plateaux

Health, Safety and Environment

Sable Mining notes with concern the escalation of the Ebola virus in West Africa. The Company can confirm that there have been no reported or suspected cases of Ebola to date at its Nimba operations. Sable Mining completed its most recent phase of drilling in July 2014 and as a result there is now a small presence on site at Nimba, comprised of essential staff only.

The Company continues to rigidly enforce general hygiene protocols to ensure Sable Mining employees, partners, contractors and visitors are not placed under unnecessary risk. In addition, the Company continues to support the local communities and Government representatives, providing assistance where practicable.

Development Strategy

Sable Mining has rapidly established Nimba as a world-class, high grade, high tonnage, low capex asset.

With such a quality asset in place the Company's focus remains on advancing Nimba and in this vein will continue to seek the best ways in which to realise value for all shareholders.

Andrew Groves
Chief Executive Officer
16 September 2014

Operating costs:

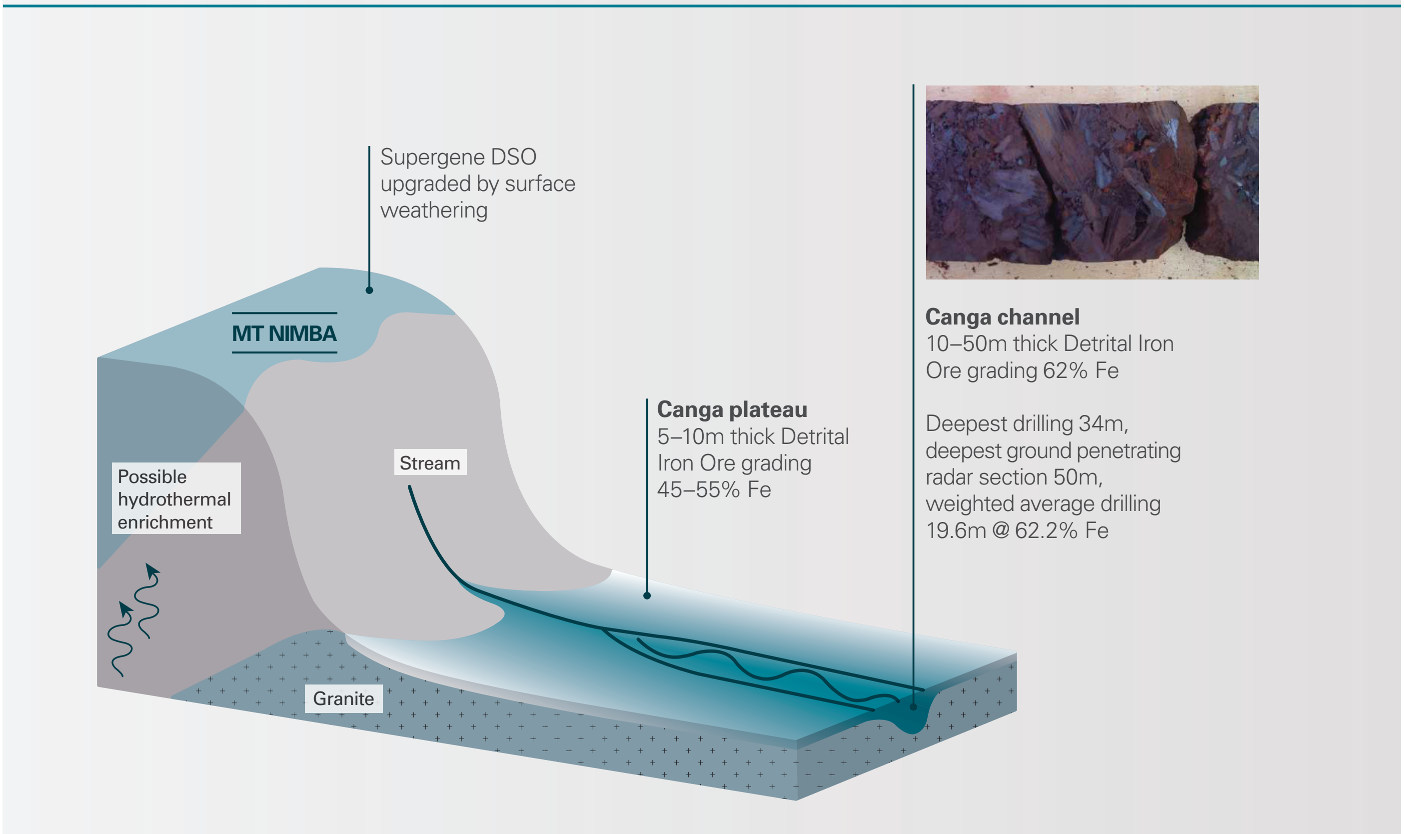
US$44/t

FOB Port Buchanan
(Panamax direct loading – Europe)

US$49/t

FOB Port Buchanan
(Transhipment plus capsize – Asia)

Nimba Ore body Genesis



Governance

The Board

Andrew Groves
Chief Executive Officer

Mr. Groves has significant experience in operations management in southern and central Africa and is a director of numerous private companies, including companies in Zambia and Zimbabwe. In particular he has experience in introducing start-up companies to AIM, including African Platinum Plc, Africa Oilfield Logistics Limited, and maize processing and cattle ranching company Agriterra Limited. He was born in Harare, Zimbabwe and educated in Zimbabwe and South Africa.

Jim Cochrane
Chairman

Mr. Cochrane holds a Bachelor Degree in Mining & Petroleum Engineering and a Master's Degree in Business Administration, has over twenty years' management experience within several leading diversified natural resource businesses. Most recently, he was Executive Director and Chief Commercial Officer at ENRC, a major natural resources group with integrated mining, processing, energy, logistical and marketing operations, where he was responsible for the group's marketing and logistics businesses. Prior to his time at ENRC, Mr Cochrane spent 12 years with Billiton/Glencore in various corporate and production management roles. He has extensive experience in managing mining operations in Africa.

Andrew Burns
Finance Director

Mr. Burns has over 20 years of financial experience working across various sectors in the corporate arena. He previously held the position of Finance Director of Central African Mining & Exploration Company Plc, and played a key role in the expansion of the business and its eventual sale to Eurasian Natural Resources Corporation Plc for c. US$ 950 million. Mr. Burns began his career by training as a chartered accountant with PricewaterhouseCoopers, after which he held a number of director level appointments with private and public companies. His previous directorships include his position as Chief Financial Officer of Empire Online Ltd and Finance Director Luminar plc.

Phil Edmonds
(Ma Cantab) Non-Executive Director

Mr. Edmonds is a director of a number of public and private companies and has considerable experience in introducing start-up companies to AIM, including African Platinum Plc, Central African Mining & Exploration Company Plc, and maize processing and cattle ranching company Agriterra Limited. He holds an honours degree in land economy from Cambridge University. He was born in Lusaka, Zambia, educated in Zambia and England and played cricket for England and Middlesex from 1974 to 1987.

Aboubacar Sampil
Non-Executive Director

Mr. Aboubacar Sampil has over 20 years of experience in the West African financial and mining sectors and has held directorship positions in a number of exploration companies based in Guinea. As a French-Guinean national, Mr. Sampil has a valuable network of contacts in the country both in the mining sector and also in the financial industry following his previous experience at the Central Bank of Guinea.

Directors' Report

The directors of Sable Mining Africa Limited ("Sable" or the "Group") hereby present their report together with the audited financial statements for the year ended 31 March 2014 for the Company and its subsidiaries (altogether the "Group"). Sable is an AIM listed company, incorporated in the British Virgin Islands.

Principal activities and future developments

A review of the Group's performance, and an update on operations is included in the Chairman's Statement on pages 8 and 9, and the Operations Review on pages 10 to 15.

Results and dividend

The Group results for the year ended 31 March 2014 show a loss after taxation on continuing activities of US$39,619,000 (2013: US$31,654,000) and a loss from discontinued activities of US$10,194,000 (2013: US$43,263,000). The loss for the year is mainly attributable to the impairment of intangible assets of US$27,786,000 (2013: US$16,979,000) which is more fully explained in the Chairman's Statement and in note 13. The directors do not recommend a dividend (2013: US$nil).

Directors

The directors who served during the year were:

JAK Cochrane	Non-Executive Chairman (Appointed 20 January 2014)
AS Groves	Chief Executive Officer
AR Burns	Chief Financial Officer
PH Edmonds	Non-Executive Director
PCCH Snyders	Executive Director (Resigned 20 January 2014)
Aboubacar Sampil	Non-Executive Director

Directors' interests

The directors serving during the year had the following beneficial interests in the shares of the Company:

	Ordinary shares of no par value	
	31 March 2014	**31 March 2013**
PH Edmonds	7,500,000	7,500,000
AS Groves	7,500,000	7,500,000
AR Burns	–	–
PCCH Snyders	–	–
A Sampil	–	–
JAK Cochrane	–	–

The directors' interests in share options of the Company as at 31 March 2014 were as follows:

	Date of grant	Exercise price	Number of ordinary shares of no par value
AR Burns	1 September 2010	20p	2,000,000
JAK Cochrane	20 January 2014	10p	2,000,000

All options vest within one year after the date of grant and are exercisable until five years after vesting.

The directors' interests in warrants of the Company as at 31 March 2014 were as follows:

	Date of grant	Exercise price	Number of warrants
A Sampil	27 February 2012	2p	10,000,000

The warrants vested immediately and are exercisable until 10 December 2015.

There have been no changes in these directors' interests in shares, options or warrants between 1 April 2014 and 15 September 2014.

Directors' indemnities

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

Substantial shareholdings

As at 31 August 2014 the Company had been notified of the following holdings, other than the directors' holdings above:

Name of shareholder	Number of ordinary shares of no par value	% shareholding of total issued share capital
Ashendon Investments Inc	162,995,000	14.70%
Beyond Africa Fund Limited	105,008,116	9.47%
JP Morgan	84,058,694	7.58%
Audley Capital	68,709,115	6.20%
US Global Investor Funds	46,188,390	4.17%
Knighthead Capital Management	41,331,740	3.73%
TT International	41,087,074	3.71%
Nubuke Investments	34,789,560	3.14%
Henderson Global	34,651,026	3.13%

Employee involvement policies

The Group places considerable value on the awareness and involvement of its employees in the Group's performance. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group and that are of interest and concern to them as employees.

Social and community issues

The Group recognises the value of employment and training to the continued economic growth of the countries in which it operates. The Group is continuing to develop policies to ensure its expertise and specialist skills and facilities are made available to the broader community.

Events after the reporting period

Events after the reporting period are detailed in note 28 to the financial statements.

Annual General Meeting

The Annual General Meeting will be held before 31 December 2014 in accordance with British Virgin Island law. A notice convening the Annual General Meeting of the Company will be sent out in due course.

Directors' Report

continued

Statement as to disclosure of information to the auditor

The directors who were in office at the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The Company's auditor, Baker Tilly UK Audit LLP, has indicated a willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

Electronic communications

The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in compliance with AIM Rule 26.

On behalf of the Board

Andrew Burns
Chief Financial Officer
16 September 2014

Corporate Governance Statement

The directors recognise the value and importance of effective corporate governance. While not mandatory for an AIM Company, the directors take due regard, where practical for a group of this size and nature, of certain provision of the principles of good governance and code of best practices under the UK Corporate Governance Code. The disclosures herein are limited and are not intended to constitute a Corporate Governance Statement.

The Board of Directors

The Group is led and controlled by a board comprising the chairman, two executive directors and two non-executive directors. The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions.

Board committees

The Board intends to appoint a remuneration committee and an audit committee with delegated duties and responsibilities as and when appropriate.

The Group has adopted a share dealing code for directors' dealings which is appropriate for an AIM quoted company. The directors comply with Rule 21 of the AIM Rules relating to directors' dealings and take all reasonable steps to ensure compliance by the Group's applicable employees.

In light of the size of the Board, the directors do not consider it necessary at this stage to establish a Nomination Committee. Any new directors are appointed by the whole Board.

The Company's directors submit themselves for re-election at the Annual General Meeting at regular intervals in accordance with the Company's Articles of Association.

Directors' remuneration

Details of the remuneration of each director are set out in note 7 to the financial statements.

Each of PH Edmonds, AS Groves, and AR Burns and has entered into a service agreement with the Company. Mr Edmonds' and Mr Groves' service agreements are terminable on 12 months' notice by either the Company or the director. Mr Edmonds' annual salary is £200,000 (US$332,580) and for Mr Groves' the annual salary is £300,000 (US$498,870). In addition, Mr Edmonds and Mr Groves may each be eligible for an annual bonus under the terms of their respective service agreements. No bonus was paid in the current year (2013: US$nil).

Mr Burns' service agreement is terminable on 12 months' notice from Mr Burns or 6 months' notice from the Company. Mr Burns' annual salary is £150,000 (US$249,435).

A Sampil has been appointed as a non-executive director with an annual salary of £72,000 (US$120,000). Mr Sampil is a director and shareholder of Faniya Ressources SAU which was paid consultancy fees of US$5,000,000 during the year (see Note 27).

J. Cochrane was appointed non-executive chairman in January 2014 with an annual salary of £120,000 (US$200,000).

Share options and warrants have been granted to the directors, the details of which have been set out in the Directors' Report on pages 19 and 20.

Relations with shareholders

The Chief Executive Officer is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, private investors are given the opportunity to question the Board.

Internal control

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Board reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No weakness in internal financial control has resulted in material losses, contingencies or uncertainties which would require disclosure as recommended by the guidance for directors on reporting on internal control.

In light of this control environment the Board considers that there is no current requirement for a separate internal audit function.

Compliance with relevant legislation

All directors are kept informed of changes in relevant legislation and changing commercial risks with the assistance of the Company's legal advisers and auditors where appropriate. The directors have taken appropriate legal advice and implemented internal training and reporting procedures to ensure compliance with the UK Bribery Act 2010 (the "Bribery Act"). Notwithstanding the fact that the Company is not UK-resident, the directors have formed the view that it is appropriate for the Company to maintain compliance with the Bribery Act.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 8 and 9. Note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has adequate financial resources. As a consequence, the directors believe that the Group is well placed to manage its business risks and cash flow successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risks and uncertainties

There are a number of risks and uncertainties facing the Group, principally the following:

Foreign exchange

The Group conducts its operations in jurisdictions other than its reporting currency and therefore is subject to fluctuations in exchange rates. Some of the countries in which the Group operates maintain strict controls on access to foreign currency and the repatriation of funds.

Mineral rights

Exploration and development of mineral resources is speculative and subject to a number of uncertainties. Geographical location can present logistical difficulties and the available resources and reserves, once established may be significantly lower than estimated.

Risks associated with operating in sub-Saharan Africa

Changes in government, monetary policies, taxation, exchange control and other laws can have a significant impact on the Group's assets and operations. Several countries in sub-Saharan Africa are liable to experience periods of political instability, and there can be no guarantees as to the level of future political stability. Changes to government policies and applicable laws could adversely affect the operations and/or financial condition of the Group. The jurisdictions in which the Group might operate in the future may have less developed legal systems than more established economies, which could result in risks such as (i) effective legal redress in the courts being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations.

In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

Risks associated with Ebola

Sable Mining notes with concern the escalation of the Ebola virus in West Africa. Please see detailed review of the impact of Ebola within the Operations Review on pages 10 to 15.

Regulatory risk

While the Group believes that its operations are currently in substantial compliance with all relevant material environmental and health and safety laws and regulations, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced, which could have a material adverse impact on the Group.

Statement of Directors' Responsibilities

The Articles require the Board to keep sufficient accounting records to give a true and fair view of the state of the Company's affairs and to show and explain its transactions in accordance with both the BVI Companies Act 2004 and the UK Companies Act. The directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the profit or loss for that period.

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").

The financial statements are required by IFRS as adopted by the EU to present fairly the financial position of the Group and the financial performance of the Group. Applicable law provides in relation to such financial statements that references to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 of the profit or loss of the Group for that period.

In preparing the Group financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Non-Statutory Independent Auditor's Report to the Members of Sable Mining Africa Limited

We have audited the Group non-statutory financial statements on pages 26 to 49. The financial reporting framework that has been applied in their preparation is as applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

This non-statutory report is made solely to the Company's members, as a body, in accordance with the terms of our engagement dated 24 April 2012. Our non-statutory 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 a non-statutory 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 non-statutory audit work, for this on-statutory report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 22 the directors are responsible for the preparation of the Group non-statutory 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 Group non-statutory 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 ("APB'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.

Opinion on the non-statutory financial statements

In our opinion the Group non-statutory financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Matters on which we are engaged to report by exception

We have nothing to report in respect of the following matters where the terms of our engagement require us to report to you, if in our opinion:

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

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street, London, EC4A 4AB
16 September 2014

Financial Statements

Consolidated Income Statement

For the year ended 31 March 2014

	Note	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Continuing Operations			
Operating expenses	6	(8,561)	(12,917)
Impairment of plant and equipment	14	(3,750)	(817)
Impairment of intangible assets	13	(27,786)	(16,979)
Impairment of other receivables	16	–	(790)
Operating loss	6	(40,097)	(31,503)
Other gains and losses	8	381	86
Finance income	9	97	449
Finance cost	9	–	(686)
Loss before taxation		(39,619)	(31,654)
Income tax credit	10	–	–
Loss for the year from continuing operations		(39,619)	(31,654)
Discontinued Operations			
(Loss) for the year from discontinued operations	11,15	(10,194)	(43,263)
Loss for the year		(49,813)	(74,917)
Loss for the year attributable to owners of the parent company		(47,827)	(58,541)
Loss for the year attributable to non-controlling interests		(1,986)	(16,376)
Loss for the year		(49,813)	(74,917)
Loss per share			
– Basic and diluted	12	(4.8 cents)	(6.3 cents)
Loss per share from continuing operations			
– Basic and diluted	12	(3.8 cents)	(2.7 cents)
Loss per share from discontinued operations			
– Basic and diluted	12	(1.0 cents)	(3.6 cents)

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2014

	2014 US$'000	2013 US$'000
Loss for the year	(49,813)	(74,917)
Items that may be subsequently reclassified to profit or loss		
Foreign exchange translation differences	(1,829)	(10,122)
Other comprehensive income for the year	(1,829)	(10,122)
Total comprehensive income for the year	(51,642)	(85,039)
Attributable to the owners of the parent company	(49,656)	(68,663)
Attributable to non-controlling interests	(1,986)	(16,376)
Total comprehensive income for the year	**(51,642)**	**(85,039)**

The notes on pages 31 to 49 form part of the financial statements.

Consolidated Balance Sheet

As at 31 March 2014

	Note	2014 US$'000	2013 US$'000
ASSETS			
Non-current assets			
Intangible assets	13	28,609	67,583
Property, plant and equipment	14	4,272	9,473
Available for sale investment	15,16	–	1,137
Loans and other receivables	16,17	–	42
Total non-current assets		32,881	78,235
Current assets			
Inventory		–	4
Trade and other receivables	16	671	994
Cash and cash equivalents	16	20,075	15,899
Total current assets		20,746	16,897
Disposal Group assets	15	13,671	–
Total assets		**67,298**	**95,132**
LIABILITIES			
Non-current liabilities			
Long-term borrowings	18	–	(8,244)
Deferred tax liability	19	–	(1,110)
Total non-current liabilities		–	(9,354)
Current liabilities			
Short-term borrowings	18	–	(4,769)
Trade and other payables	18	(2,766)	(3,905)
Total current liabilities		(2,766)	(8,674)
Disposal Group liabilities	15	(12,171)	–
Total liabilities		(14,937)	(18,028)
Net assets		**52,361**	**77,104**
EQUITY			
Issued capital	21	274,754	248,798
Share based payment reserve		1,096	1,064
Warrant reserve		8,395	7,484
Translation reserve		(9,207)	(7,378)
Retained earnings		(224,405)	(176,578)
Total equity attributable to the owners of the parent company		50,633	73,390
Non-controlling interests		1,728	3,714
Total equity		**52,361**	**77,104**

The notes on pages 31 to 49 form part of the financial statements. The financial statements on pages 26 to 30 were approved and authorised for issue by the Board of Directors on 15 September 2014 and were signed on its behalf.

Andrew Burns
Chief Financial Officer
16 September 2014

Consolidated Statement of Changes in Equity

	Attributable to the equity holders of the parent							
	Share capital US$'000	**Share-based payment reserve** US$'000	**Warrant reserve** US$'000	**Translation reserve** US$'000	**Retained earnings** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total** US$'000
Balances at 1 April 2012	248,623	1,064	7,033	2,744	(118,037)	141,427	20,090	161,517
Loss for the year	–	–	–	–	(58,541)	(58,541)	(16,376)	(74,917)
Other comprehensive income								
Exchange translation differences on foreign operations	–	–	–	(10,122)	–	(10,122)	–	(10,122)
Total comprehensive income for the year	**–**	**–**	**–**	**(10,122)**	**(58,541)**	**(68,663)**	**(16,376)**	**(85,039)**
Transactions with owners								
Share issues – cash received	17	–	–	–	–	17	–	17
Share issues – warrants exercised	158	–	–	–	–	158	–	158
Share based payment charge	–	–	451	–	–	451	–	451
Total transactions with owners	**175**	**–**	**451**	**–**	**–**	**626**	**–**	**626**
Balances at 31 March 2013	**248,798**	**1,064**	**7,484**	**(7,378)**	**(176,578)**	**73,390**	**3,714**	**77,104**
Loss for the year	–	–	–	–	(47,827)	(47,827)	(1,986)	(49,813)
Other comprehensive income								
Exchange translation differences on foreign operations	–	–	–	(1,829)	–	(1,829)	–	(1,829)
Total comprehensive income for the year	**–**	**–**	**–**	**(1,829)**	**(47,827)**	**(49,656)**	**(1,986)**	**(51,642)**
Transactions with owners								
Share issues – cash received (net)	25,910	–	–	–	–	25,910	–	25,910
Share issues – warrants exercised	46	–	(46)	–	–	–	–	–
Share based payment charge	–	32	957	–	–	989	–	989
Total transactions with owners	**25,956**	**32**	**911**	**–**	**–**	**26,899**	**–**	**26,899**
Balance at 31 March 2014	**274,754**	**1,096**	**8,395**	**(9,207)**	**(224,405)**	**50,633**	**1,728**	**52,361**

See Note 23 for explanation of reserves.

The notes on pages 31 to 49 form part of the financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2014

	2014 US$'000	2013 US$'000
OPERATING ACTIVITIES		
Loss before tax	(39,619)	(31,654)
Adjustments for:		
– Depreciation of property, plant and equipment	809	1,290
– Amortisation of intangible assets	3	26
– Share based payment charge	989	76
– Other gains and losses	(381)	(86)
– (Gain)/loss on foreign exchange	(1,724)	1,798
– Net interest income	(97)	83
– Write off of plant and equipment	3,750	–
– Impairment of intangible assets	27,786	16,979
– Impairment of other receivables	–	790
Operating cash flow before movements in working capital	(8,484)	(10,698)
Working capital adjustments:		
– Decrease in inventories	4	–
– Decrease in receivables	95	3,362
– Increase in payables	(1,611)	(718)
Cash used in operations	(9,996)	(8,054)
Finance cost	–	(686)
Interest received	–	449
Net cash used in continuing operating activity	(9,996)	(8,291)
Net cash used in discontinued operating activity	(572)	(1,412)
Net cash used in operating activities	**(10,568)**	**(9,703)**
INVESTING ACTIVITIES		
Purchase of intangible assets arising from exploration and evaluation of mineral resources	(11,130)	(11,370)
Purchase of property, plant and equipment	–	(665)
Proceeds from disposal of property, plant and equipment	41	94
Decrease in loans and other loan term receivables	–	82
Net cash used in investing in continuing activities	(11,089)	(11,859)
Net cash used in investing activities	**(11,089)**	**(11,859)**
FINANCING ACTIVITIES		
Proceeds from issue of share capital	27,412	17
Share issue costs	(1,456)	–
Net cash flow from financing activities	**25,956**	**17**
Net increase/(decrease) in cash and cash equivalents	**4,299**	**(21,545)**
Cash and cash equivalents at start of the year	15,899	37,731
Effect of foreign exchange rate changes	(123)	(287)
Cash and cash equivalents at end of the year	**20,075**	**15,899**

The notes on pages 31 to 49 form part of the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

1. GENERAL INFORMATION

Sable Mining Africa Limited is incorporated and domiciled in the British Virgin Islands under the British Virgin Islands Business Companies Act 2004. The address of the registered office is given on page 50. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement on pages 8 and 9.

These financial statements have been presented in US Dollars because this is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

During the year the following standards have been adopted in these financial statements:

IAS 16	Property plant and equipment (effective 1 January 2013)

The adoption of these standards has had no material effect except for minor disclosure items.

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Group's operations that have not been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated):

IFRS 9	Financial Instruments (effective 1 January 2015)*
IFRS 10	Consolidated financial statements (effective 1 January 2014)
IFRS 11	Joint arrangements (effective 1 January 2014)
IFRS 12	Disclosure of interests in other entities (effective 1 January 2014)
IFRS 14	Regulatory Deferral Accounts (effective 1 January 2016)
IFRS 15	Revenue from Contracts with Customers (effective 1 January 2017)*
IAS 32	Financial Instruments – Presentation – Amendment; Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014)
IAS 28	Investments in Associates and Joint Ventures (as amended 2011) (effective 1 January 2014)

* These amendments have not yet been endorsed by the EU.

The directors anticipate that the adoption of these Standards and Interpretations as appropriate in future periods will have no material impact on the financial statements of the current Group.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the historical cost basis, except for available for sale investments that have been measured at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Transactions eliminated on consolidation

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The cash available at 31 March 2014 was US$20.075m and this is more than sufficient to cover all on-going exploration activities and operational costs for the period to 30 September 2015 and beyond. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is discussed in the Corporate Governance section on pages 20 and 21.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

The assets, liabilities and contingent liabilities of the acquiree are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration paid over the fair value of the identifiable net assets acquired is recognised as goodwill. If the fair value of the consideration is less than the fair value of the identifiable net assets acquired, the difference is recognised directly in the income statement.

Asset acquisitions

Where subsidiaries have been acquired in order to acquire assets that do not comprise a business, the transaction is considered to have been entered into at the fair value of the consideration paid and is accounted for as an asset purchase. Any excess cost over the book value acquired is considered a fair value adjustment to the assets acquired.

Foreign currency translation

(i) Functional and presentational currency

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates ("the functional currency"). The consolidated financial statements are presented in US Dollars.

Notes to the Consolidated Financial Statements

continued

2. SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the income statement.

(iii) Consolidation
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case exchange rates at the date of the transactions are used. Exchange differences arising from the translation of the net investment in foreign operations are recognised in the Group's translation reserve, a separate component of equity, via the Consolidated Statement of Comprehensive Income. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

The following exchange rates have been used in preparing the consolidated financial statements:

2014	Closing Rate	Average Rate
Pounds Sterling (GBP): US Dollars	0.60	0.60
Guinea Franc (GNF): US Dollars	6,903.92	6,954.80
Mozambique New Metical (MZN): US Dollars	30.05	31.00
South African Rand (ZAR): US Dollars	10.10	10.57

2013	Closing Rate	Average Rate
Pounds Sterling (GBP): US Dollars	0.66	0.63
Guinea Franc (GNF): US Dollars	7,103.73	7,016.65
Mozambique New Metical (MZN): US Dollars	29.45	28.27
South African Rand (ZAR): US Dollars	9.23	8.49

Leasing
Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Taxation
The Company is resident for taxation purposes in the British Virgin Islands ("BVI") and its income is subject to BVI income tax, presently at a rate of zero. The income of overseas subsidiaries will be subject to tax at the prevailing rate in each jurisdiction.

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, tax is also recognised in other comprehensive income or directly in equity, respectively. Taxable profit differs from accounting profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Current tax expense is the expected tax payable on the taxable income for the year. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the reporting date, and including any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the asset can be utilised. This requires judgements to be made in respect of the availability of future taxable income.

The Group's deferred tax assets and liabilities are calculated using tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

No deferred tax asset or liability is recognised in respect of temporary differences associated with investments in subsidiaries, branches and joint ventures where the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Property, plant and equipment
All items of property, plant and equipment are stated at historical cost less depreciation (see below) and impairment. Historical cost includes expenditure that is directly attributable to the acquisition. Subsequent costs are included in the asset's carrying value when it is considered probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item, as follows:

Land	Not depreciated
Buildings	2%
Leasehold land improvements	2% or the period of the lease as appropriate
Plant and equipment	20% – 33.3%
Motor vehicles	20%
Aircraft	5%
Office furniture and equipment	10% – 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Impairment of property, plant and equipment
Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for assets under construction are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:

- Title to the asset is compromised; or
- The Group determines it no longer wishes to continue with or develop the project.

Goodwill
Goodwill arising on a business combination represents the difference between the cost of acquisition and the Company's consolidated interest in the fair value of the identifiable assets and liabilities of a subsidiary or joint venture as at the date of acquisition.

Goodwill is recognised as an asset and is not amortised, but is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

Intangible assets – Exploration and evaluation costs
All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written-off as incurred.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include technical expenses and allocated administrative overheads. Deferred exploration costs are carried at historical cost less any impairment losses recognised.

If an exploration project is successful and it is brought into production, the related expenditures are transferred to property, plant and equipment as a mineral reserve or resource and depleted on a unit of production basis, or until the properties are sold, allowed to lapse, abandoned or determined not to be economically viable, at which time they are charged to the income statement.

Capitalised deferred exploration expenditures are reviewed for impairment losses (see accounting note below) at each reporting date. In the case of undeveloped properties, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding results of exploration or evaluation work to date and the Group's intentions for development of the related property.

The recoverability of deferred exploration and evaluation costs is dependent upon the discovery of economically recoverable ore reserves, the ability of the Group to obtain the necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposal thereof.

Impairment of intangible assets – Exploration and evaluation costs
Impairment reviews for exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:

- Unexpected geological occurrences that render the resource uneconomic;
- Variations in the commodity price that render the project uneconomic;
- Title to the asset is compromised; or
- The Group determines it no longer wishes to continue with or develop the project.

Financial assets
Financial assets are classified into the following specific categories:
- Financial assets at fair value through profit or loss ("FVTPL");
- Held-to-maturity investments;
- Available-for-sale ("AFS") financial assets; and
- Loans and receivables.

The classification depends upon the nature and purpose of the financial asset and is determined at the time of initial recognition.

Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the FIFO principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Assets held for sale
Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell and are presented separately in the income statement as discontinued operations, and the associated assets and liabilities of the disposal group are presented as separate line items in the Consolidated Statement of Financial Position as Group disposal assets and Group disposal liabilities.

Loans and receivables
Trade and other receivables are not interest bearing and are initially recognised at their fair value and are subsequently stated at amortised cost using the effective interest method as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value.

Financial liabilities
Trade and other payables
Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of the resources will be required to settle the obligation and the amount can be reliably estimated.

Equity instruments
Equity instruments issued by the Company are recorded at fair value on initial recognition, net of transaction costs.

Notes to the Consolidated Financial Statements

continued

2. SIGNIFICANT ACCOUNTING POLICIES continued

Share based payment
Certain Group employees and consultants are rewarded with share based instruments. These are stated at fair value at the date of grant and are expensed to the income statement, over the vesting period of the instrument, or to the balance sheet when the share based payment relates to the provision of fund raising services or acquisition of exploration assets.

Fair value is estimated using the Black-Scholes option pricing model. The estimated life of the instrument used in the model is adjusted for management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

Operating segments
The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the business. Management has determined the operating segments based on the reports reviewed by the Board. The Board considers the activities from a business viewpoint.

Operating loss
Operating loss consists of operating expenses and impairment of assets. Operating loss excludes net finance costs.

3. FINANCIAL RISK FACTORS

The Group's principal financial instruments comprise cash, short-term deposits, loans receivable and available for sale investments. Together with the issue of equity share capital, the main purpose of these is to finance the Group operations and expansion. The Group has other financial instruments such as trade payables which arise directly from normal trading.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (including interest rate risk and currency risk). The Board reviews and agrees policies for managing each of these risks and these are summarised below.

Credit risk
Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as other receivables and available for sale assets. The Group's principal deposits are held with three banks with a high credit rating to diversify from a concentration of credit risk. Receivables are regularly monitored and assessed for recoverability.

The exposure to credit risk at 31 March 2014 was US$20.4 million (2013: US$18 million).

Liquidity risk
The Group's policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital. At 31 March 2014 the Group held cash deposits of US$20 million (2013: US$16 million).

Market risk
The significant market risk exposures to which the Group is exposed are interest rate risk and foreign currency risk. These are discussed further below:

Interest rate risk
The Group finances its operations through the use of cash deposits held at variable rates of interest for a variety of short term periods, depending on cash requirements. The rates are reviewed regularly and the best rate obtained in the context of the Group's need. The weighted average interest rate on deposits was 0.4% (2013: 1.3%).

The exposure of the Group's financial assets to interest rate risk is as follows:

	2014 US$'000	2013 US$'000
Financial assets at floating rates	19,878	15,216
Financial assets at zero rate	197	683
	20,075	15,899

Foreign currency risk

The Group conducts its operations in other jurisdictions where the local currency is different from the Group's reporting currency and therefore is subject to fluctuations in exchange rates. These risks are monitored by the Board on a regular basis. The Group does not hedge against the effects of exchange rates due to the fact that the main exchange rate fluctuations are on intercompany loans which create an unrealised exchange rate gain or loss and not a cash gain or loss. Cash gains or losses on payments made to foreign suppliers whose invoices are not USD or GBP denominated are not material and as such are not hedged against.

The exposure of the Group's financial assets and liabilities (excluding Disposal group assets and liabilities) to currency risk is as follows:

2014	GBP US$'000	US$ US$'000	ZAR US$'000	MZN US$'000	GNF US$'000	Total US$'000
Cash and cash equivalents	8,906	11,092		23	54	20,075
Trade and other receivables	–	671	–	–	–	671
Total financial assets at 31 March 2014	8,906	11,763	–	23	54	20,746
Other payables and accruals	–	(2,766)	–		–	(2,766)
Total financial liabilities at 31 March 2014	–	(2,766)	–	–	–	(2,766)

2013	GBP US$'000	US$ US$'000	ZAR US$'000	MZN US$'000	GNF US$'000	Total US$'000
Cash and cash equivalents	114	15,384	136	26	239	15,899
Available for sale investment	–	–	1,137	–	–	1,137
Trade and other receivables	–	720	274	–	–	994
Loans and other receivables	–	42	–	–	–	42
Total financial assets at 31 March 2013	114	16,146	1,547	26	239	18,072
Other payables and accruals	–	(3,049)	(322)	(534)	–	(3,905)
Short-term borrowings	–	–	(4,769)	–	–	(4,769)
Long-term borrowings	–	–	(8,244)	–	–	(8,244)
Total financial liabilities at 31 March 2013	–	(3,049)	(13,335)	(534)	–	(16,918)

Fair values

The directors have reviewed the financial statements and have concluded that there is no significant difference between the book values and the fair values of the financial assets and liabilities of the Group as at 31 March 2014 and as at 31 March 2013.

Capital management

The Group's objective, when managing share capital and cumulative reserves ("Capital"), is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group places funds which are not required in the short term on deposit at the best interest rates it is able to secure from its bankers.

The Group plans its capital requirements regularly. The requirement for capital is satisfied by the issue of shares.

The Group has no short term borrowings and does not currently have any borrowing facilities with banking institutions. The Group has long term borrowings from shareholders.

The Group is under no obligation to meet any externally imposed capital requirements.

Sensitivity analysis

Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables and trade and other payables. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Group's financial instruments (at year end) to changes in market variables, being exchange rates and interest rates.

The following assumptions were made in calculating the sensitivity analysis:

- all income statement sensitivities also impact equity
- translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from this sensitivity as they have no monetary effect on the results.

Notes to the Consolidated Financial Statements

continued

3. FINANCIAL RISK FACTORS continued

Exchange rates:	Income Statement US$'000	Equity US$'000
2014		
+ 5% US$ Sterling (GBP)	445	445
- 5% US$ Sterling (GBP)	(445)	(445)
+ 5% US$ Mozambique New Metical (MZN)	(1)	(1)
- 5% US$ Mozambique New Metical (MZN)	1	1
+ 5% US$ Guinea Franc (GNF)	3	3
- 5% US$ Guinea Franc (GNF)	(3)	(3)
+ 5% US$ South African Rand (ZAR)	(536)	(536)
- 5% US$ South African Rand (ZAR)	536	536
2013		
+ 5% US$ Sterling (GBP)	6	6
- 5% US$ Sterling (GBP)	(6)	(6)
+ 5% US$ Mozambique New Metical (MZN)	(25)	(25)
- 5% US$ Mozambique New Metical (MZN)	25	25
+ 5% US$ Guinea Franc (GNF)	12	12
- 5% US$ Guinea Franc (GNF)	(12)	(12)
+ 5% US$ South African Rand (ZAR)	(702)	(702)
- 5% US$ South African Rand (ZAR)	702	702

The Group does not hold any financial assets other than cash and floating rate loans whose value is affected by changes in interest rates.

	Income Statement US$'000	Equity US$'000
2014		
+ 50 bp increase in interest rates	41	41
- 50 bp increase in interest rates	(41)	(41)
2013		
+ 50 bp increase in interest rates	14	14
- 50 bp increase in interest rates	(14)	(14)

The above sensitivities are calculated with reference to a single moment in time and will change due to a number of factors including:

- fluctuating trade receivable and trade payable balances
- fluctuating cash balances
- changes in currency mix

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Capitalised exploration and evaluation expenditure
In making decisions about whether to continue to capitalise exploration and evaluation expenditure, it is necessary to make judgements about the probable commercial reserves and the level of activities that constitutes an on-going appraisal determination process and review by suitably qualified technical consultants. If there is a change in any judgement in a subsequent period, then the related capitalised exploration and evaluation expenditure would be expensed in that period, resulting in a charge to income.

Impairments

Impairment reviews on non-current assets are carried out on each cash-generating unit identified in accordance with IAS 36 "Impairment of Assets" and IFRS 6 "Exploration for and Evaluation of Mineral Resources". At each reporting date, where there are indicators of impairment, the net book value of the cash generating unit is compared with the associated fair value. To the extent the fair value is below net book value an impairment will be recognised. The process of identifying fair value requires accounting estimates and the exercise of judgement. This is detailed further in relation to the specific assets in note 13.

Disposal group (asset held for sale)

The Group's holding in Delta Mining Consolidated Limited is currently in the process of being sold. The directors have taken the view that it is likely that the sale will be completed within the next year and it has been reclassified as a disposal group under discontinued operations in the Group Financial Statements. Please see note 15.

5. SEGMENT REPORTING

The directors consider that the Group's continuing activities comprise one business segment, exploration and other unallocated expenditure in one geographical segment, Africa.

	Exploration US$'000	Unallocated US$'000	Total US$'000
Year ending 31 March 2014			
Segment results			
– Operating loss	(4,429)	(4,132)	(8,561)
– Impairments of intangibles	(27,786)		(27,786)
– Impairments of land	(3,750)	–	(3,750)
– Net finance (expense)/income	(351)	448	97
– Other gains/(losses)	634	(253)	381
Loss before tax from continuing operations	(35,682)	(3,937)	(39,619)
Income tax credit	–	–	–
Loss for the year from continuing activities	(35,682)	(3,937)	(39,619)

	Exploration US$'000	Unallocated US$'000	Total US$'000
Year ending 31 March 2013			
Segment results			
– Operating loss	(11,027)	(3,497)	(14,524)
– Impairments	(16,979)	–	(16,979)
– Net finance (expense)/income	(685)	448	(237)
– Other gains/(losses)	339	(253)	86
Loss before tax from continuing operations	(28,352)	(3,302)	(31,654)
Income tax credit	–	–	–
Loss for the year from continuing activities	(28,352)	(3,302)	(31,654)

The segment items included in the income statement for the year are as follows:

	Exploration US$'000	Unallocated US$'000	Group US$'000
2014			
Depreciation	792	7	799
Amortisation	3	–	3
2013			
Depreciation	1,283	7	1,290
Amortisation	26	–	26

Notes to the Consolidated Financial Statements

continued

5. SEGMENT REPORTING continued

The segment assets and liabilities at 31 March and the capital expenditure for the period then ended are as follows:

	Continuing Exploration US$'000	Unallocated US$'000	Discontinued Bio-energy/ DMC US$'000	Group US$'000
2014				
Assets	38,063	15,224	14,011	67,298
Liabilities	(1,557)	(377)	(13,003)	(14,937)
Capital Expenditure – Property, plant and equipment	5	–	–	5
Capital Expenditure – Intangible assets	11,135	–	–	11,135
Impairment loss – P&L	27,786	–	–	27,786
2013				
Assets	79,451	15,653	28	95,132
Liabilities	(16,597)	(896)	(535)	(18,028)
Capital Expenditure – Property, plant and equipment	665	–	–	665
Capital Expenditure – Intangible assets	11,370	–	–	11,370
Impairment loss – P&L	16,580	399	55,857	72,836

Segment assets comprise intangible assets, property, plant and equipment, trade and other receivables and cash and cash equivalents. Within Group assets of US$67.3m, US$25.5m (2013: US$7.5m) relates to exploration intangible assets associated with the Nimba Iron Ore Project in Guinea. US$19.9m (2013: US$15.3m) is held in cash by Sable Mining Africa Limited in the UK and Mauritius and US$13.7m (2013: US$27.1m) constitutes the assets of Delta Mining Consolidated Limited which is classified as an asset held for sale under discontinued operations.

Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to intangible assets and to property plant and equipment.

6. OPERATING LOSS

Operating loss has been arrived at after charging:

	2014 US$'000	2013 US$'000
Staff costs (see note 7)	2,933	2,913
Travel costs	1,625	2,213
Pre-rights exploration expenses	127	1,159
Consulting fees	542	369
Management fees and office expenses	1,727	1,740
Operating lease rentals and related expenses	205	532
Audit fees	165	140
Professional and legal fees	224	2,239
Statutory expenses	211	296
Depreciation of property, plant and equipment	799	1,290
Amortisation of computer software	3	26
	8,561	12,917

Amounts payable to Baker Tilly UK Audit LLP and their associates in respect of both audit and non-audit services as follows:

	2014 US$'000	2013 US$'000
Group:		
Audit services		
– Non statutory audit of consolidated accounts	110	133
	110	133

7. STAFF COSTS

The average monthly number of employees (including executive directors) employed by the Group for the year was as follows:

	2014 Number	2013 Number
Office and management	12	15
Operational	74	150
	86	165

The aggregate remuneration comprised:

	2014 US$'000	2013 US$'000
Wages and salaries	4,427	4,787
Share based payment charge	989	610
	5,416	5,397
Less staff costs capitalised and included in exploration assets	(2,483)	(2,484)
	2,933	2,913

	2014			2013		
Directors' remuneration:	Fees US$'000	Share based payment US$'000	Total US$'000	Fees US$'000	Share based payment US$'000	Total US$'000
PH Edmonds	333	–	333	316	–	316
AS Groves	499	–	499	474	–	474
AR Burns	249	–	249	237	–	237
JDS Sanford	39	–	39	115	–	115
PCCH Snyders	8	–	8	309	–	309
A Sampil	120	–	120	120	–	120
J Cochrane	39	23	62	–	–	–
	1,287	23	1,310	1,571	–	1,571

8. OTHER GAINS AND LOSSES

	2014 US$'000	2013 US$'000
Foreign exchange gain/(loss)	422	(253)
Aircraft charter revenue	–	557
Loss on disposal of fixed assets	(41)	(218)
	381	86

9. FINANCE INCOME AND COSTS

	2014 US$'000	2013 US$'000
Finance income:		
– Interest income on short-term bank deposits	97	449
Finance costs:		
– Interest payable on borrowings	–	(686)
Net finance income/(cost)	97	(237)

Notes to the Consolidated Financial Statements

continued

10. INCOME TAX EXPENSE

	2014 US$'000	2013 US$'000
Loss before tax:	(39,619)	(31,654)
Expected tax at the weighted average tax rate 23.55% (2013:19.60%)	(9,330)	(6,204)
Tax effect of expenses that are not deductible in determining taxable profit	21	22
Tax effect of losses not allowable	974	1,909
Tax effect of losses recognised (note 20)	–	–
Tax effect of losses not recognised in overseas subsidiaries	8,335	4,273
Write-off of deferred tax asset	–	–
Attributable to profits taxed at higher rates	–	–
Attributable to non-deductible impairments	–	–
Tax credit for the period	–	–

The tax reconciliation has been prepared using the weighted average tax rates of the jurisdictions where the principal assets of its continuing activities are located.

The Group has operations in a number of overseas jurisdictions where it has incurred taxable losses on continuing operations of US$26,541,000 (2013: US$26,551,000).

The Company is resident for taxation purposes in the British Virgin Islands and its income is subject to BVI income tax, presently at a rate of zero.

11. DISCONTINUED ACTIVITIES

The discontinued operation in 2013 was as a result of the strategy to move away from the bio-ethanol related assets and this segment's trading results are included in the income statement as a single line below the loss after taxation from continuing operations.

The asset held for sale that is listed as a single line item under discontinued operations in 2014 represents the Group's share in the loss of Delta Mining Consolidated Limited that is now in the process of being sold post year end. More information about the results of this disposal asset are given in Note 15.

The results for the discontinued operations are as follows:

	2014 US$'000	2013 US$'000
Operating income	(10,194)	(43,263)
Operating loss	(10,194)	(43,263)
Loss before taxation	(10,194)	(43,263)
Taxation	–	–
Loss after taxation	(10,194)	(43,263)

All the above profit after taxation is attributable to the owners of the parent.

There were cash outflows of US$572,000 from discontinued operations relating to DMC included in the consolidated statement of cash flows (2013: US$1,412m).

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	2014 US$'000	2013 US$'000
Loss for the purposes of basic earnings per share (loss for the year attributable to equity holders of the parent)	(47,827)	(58,541)
Loss for the purposes of basic earnings per share on continuing activities (loss for the year on continuing activities attributable to equity holders of the parent)	(38,039)	(24,735)
(Loss for the purposes of basic earnings per share on discontinued activities (loss for the year on discontinued activities attributable to equity holders of the parent)	(9,788)	(33,806)

Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	1,001,038,132	928,177,584
Total number of shares in issue at the year end	1,108,627,584	928,177,584
Basic and diluted loss per share	(4.8 cents)	(6.3 cents)
Basic and diluted loss per share on continuing activities	(3.8 cents)	(2.7 cents)
Basic and diluted loss per share on discontinued activities	(1.0 cents)	(3.6 cents)

No dilution arises as a result of the loss for the year (2013: nil).

13. INTANGIBLE ASSETS

	Evaluation and exploration costs US$'000	Computer software US$'000	Total US$'000
At 1 April 2012	141,272	7	141,279
Additions	11,370	2	11,372
Exchange differences	(13,832)	–	(13,832)
Impairment of exploration costs (a)	(71,229)	–	(71,229)
Amortisation	–	(7)	(7)
At 31 March 2013	67,581	2	67,583
Additions	11,135	–	11,135
Exchange differences	(528)	–	(528)
Impairment of exploration costs (a)	(37,458)	–	(37,458)
Reallocation to disposal group	(12,121)	–	(12,121)
Amortisation	–	(2)	(2)
At 31 March 2014	28,609	–	28,609

(a) During the year, the following exploration assets were impaired:

	2014 US$'000	2013 US$'000
Southern Cross Investments Limited (Timbo)	–	2,357
Guinea Development Mineral Resources SA (Kissidougou)	–	6,133
Liberation Mining (Pvt) Limited (Lubimbi)	5,368	5,331
Apex Petroleum Company (Pvt) Limited (Lusulu)	3,244	3,158
Monaf Investments (Pvt) Ltd	19,174	–
	27,786	16,979
Delta Mining Consolidated Limited (Rietkuil) (see Note 15)	9,672	54,250
Total Impairment	37,458	71,229

(b) Reallocation to disposal group

	2014 US$'000	2013 US$'000
Rietkuil project	25,000	90,000
Exchange differences	(3,207)	(10,750)
Restated balance at start of year	21,793	79,250
	–	–
Impairments	(9,672)	54,250
Total (See Note 15)	12,121	25,000

Notes to the Consolidated Financial Statements

continued

13. INTANGIBLE ASSETS continued

Liberation Mining (Pvt) Limited, Apex Petroleum Company (Pvt) Limited and Monaf Investments (Pvt) Ltd
In Zimbabwe, where the Group has to date delineated a total coal resource in excess of 1.75Bt, the Board remain confident of the long term value of the Group's assets, which are significant in terms of quantity whilst also being of high quality. In the prior financial year market realities required the Board to take prudent write downs of 50% on the value of the resource held by Liberation Mining and Apex Petroleum as these resources are at the end of the development spectrum.

The Group's Special Grants held by Apex Petroleum Company (Pvt) Limited, Liberation Mining (Pvt) Limited and Monaf Investments (Pvt) Limited expired in February 2013. Applications have been submitted to the Zimbabwean Mining Affairs Board to extend each of the Special Grants for an additional three year period. At this date each Special Grant has not been formally extended. The Board is confident of being granted an extension on each Special Grant in due course. However, due to the length of time that has now elapsed since the Special Grants fell due for renewal the Board feels it has no choice other than to impair the remaining value of these assets to nil value.

Delta Mining Consolidated Limited
The Group has entered into an agreement to sell its 63.5% shareholding in Delta Mining Consolidated in May 2014. Consequently it has been re-classified as an asset held for sale and its results disclosed separately in the Income statement and Balance Sheet. Prior to this the Group had impaired the value of the exploration assets in the Rietkuil Coal Project held by DMC by US$9.7m during the year due to the low global coal price and the remote prospect of the Group being able to extract any value from these assets in the foreseeable future.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings US$'000	Leasehold Land US$'000	Leasehold Land Improvements US$'000	Plant and Equipment US$'000	Aircraft US$'000	Motor Vehicles US$'000	Office Furniture and Equipment US$'000	Total US$'000
Cost								
1 April 2012	218	3,750	237	3,726	2,247	2,239	567	12,984
Additions	–	–	49	476	15	98	26	664
Assets written off	–	–	(69)	(823)	–	(66)	(31)	(989)
Disposals	–	–	(18)	(2)	–	(209)	(54)	(283)
Exchange differences	–	–	(4)	(27)	(374)	(23)	(15)	(443)
1 April 2013	218	3,750	195	3,350	1,888	2,039	493	11,933
Additions	–	–	–	–	–	–	5	5
Assets written off	–	(3,750)	–	(1,382)	–	–	(89)	(5,221)
Disposals	–	–	–	(4)	–	(236)	(53)	(293)
Exchange differences				(116)	(347)	75	54	(334)
31 March 2014	218	–	195	1,848	1,541	1,878	410	6,090
Accumulated Depreciation								
1 April 2012	3	–	1	631	74	352	202	1,263
Charge for the year	2	–	12	548	113	515	137	1,327
Disposals			(3)	(1)	–	(31)	(18)	(53)
Exchange differences	–	–	–	–	(20)	–	–	(20)
Assets written off	–	–	–	(6)	–	(50)	(1)	(57)
1 April 2013	5	–	10	1,172	167	786	320	2,460
Charge for the year	2	–	4	213	114	350	126	809
Disposals	–	–	–	–	–	(103)	(31)	(134)
Assets written off	–	–	–	(1,240)	–	–	(77)	(1,317)
Exchange differences								
31 March 2014	7	–	14	145	281	1,033	338	1,818
Net Book Value								
31 March 2014	211	–	181	1,703	1,260	845	72	4,272
31 March 2013	213	3,750	185	2,178	1,721	1,226	163	9,473
31 March 2012	215	3,750	236	3,095	2,173	1,887	365	11,721

15. ASSETS HELD FOR SALE

	2014 US$'000
Assets of disposal group classified as held for sale	
Property, plant and equipment	1
Intangible Assets (see Note 13)	12,121
Financial Asset Investment (see a)	1,148
Other current assets	401
Total	13,671
Liabilities of disposal group classified as held for sale	
Short term loans	(4,162)
Long term loans	(7,808)
Other current liabilities	(201)
Total	(12,171)
Net Assets of disposal group classified as held for sale	1,500

The Company entered into an agreement to sell its 63.5% shareholding in Delta Mining Consolidated Limited (DMC) on 30 May 2014. Before completion can occur various consents have to be obtained from the South African Ministry of Mines and Reserve Bank but the directors believe that these will be in place before 31 March 2015 and consequently DMC has been reclassified in the Group accounts as an asset held for sale disposal group under discontinued operations.

In accordance with IFRS 5 the assets and liabilities of DMC are held at cost. This is based on a cash consideration of US$1,500,000.

The Group has a contingent assets of US$18.5m (2013: US$nil) relating to the loan from Tanaka Investments Ltd to Delta Mining Consolidated Limited that will be repaid once the purchasers of DMC have the mine in operation. The loan will be repaid over a number of years based on a quasi-royalty per tonne produced model. The directors have not included this as an asset on the Balance Sheet due to the uncertainty over the timing of when the purchasers of DMC are likely to bring the Rietkuil Coal mine into operation.

a) The available for sale financial asset listed in the prior year represents Glacier Financial Solutions (Proprietary) Limited investment. This has not been sold but is held under Delta Mining Consolidated Limited and as such has been reclassified into the DMC asset held for sale disposal group. The investment increased in value by US$11,000 over the year. Increase in value of investment represents increase in market value of third party administered portfolio.

Analysis of the results of the disposal group and re-measurement to asset held for sale is as follows:

	2014 US$'000	2013 US$'000
DMC		
Impairments (see Note 13)	(9,672)	(54,250)
Other operating expenses	(1,222)	(1,453)
Loss before tax	(10,894)	(55,703)
Tax	748	12,282
Loss after tax	(10,146)	(43,421)
ProCana		
Foreign exchange translation	(48)	158
Profit/(Loss) for the year from asset held for sale	(10,194)	(43,263)

Notes to the Consolidated Financial Statements

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16. FINANCIAL ASSETS

	Available for sale US$'000	Loans and receivables US$'000	Total US$'000
31 March 2014			
Current assets			
Other receivables	–	671	671
Cash and cash equivalents	–	20,075	20,075
Total financial assets at 31 March 2014	–	20,746	20,746
31 March 2013			
Non-current assets			
Financial asset investment	1,137	–	1,137
Loans receivable (see note 17)	–	42	42
Current assets			
Other receivables	–	994	994
Cash and cash equivalents	–	15,899	15,899
Total financial assets at 31 March 2013	1,137	16,935	18,072

Receivables over one year old but not impaired amounted to US$242,000 at 31 March 2014 (2013: US$223,000). Other receivables have been impaired by US$790,000 at 31 March 2014 (2013: US$399,000) comprising African Medical Investments plc (US$200,000), Uyokiso (US$149,000), LCC (Liberia) (US$391,000) and Rio Pongo (US$50,000) which are deemed irrecoverable.

The directors consider that the carrying amount of financial assets approximates their fair value.

The Group has categorised its financial instruments using the fair value hierarchy as follows:
Level 1 reflects financial instruments quoted in an active market;
Level 2 reflects financial instruments that have prices that are observable either directly or indirectly;
Level 3 reflects financial instruments that are not based on observable market data.

The available for sale investment was categorised as Level 3.

17. NON-CURRENT LOANS RECEIVABLE

	2014 US$'000	2013 US$'000
Non-interest bearing loans receivable	–	42

18. FINANCIAL LIABILITIES

	2014 US$'000	2013 US$'000
Non-current liabilities		
Interest bearing long-term loan	–	8,244
Long-term borrowings	–	8,244
Current liabilities		
Non-interest bearing short-term loan	–	4,769
Other payables	1,405	1,893
Accruals and deferred income	1,361	2,012
Liabilities associated with asset held for sale	12,171	–
Trade and other payables	14,937	8,674
Total liabilities	14,937	16,918

Other than as described above liabilities are payable within 3 months.

Other payables and accruals principally comprise amounts outstanding for on-going exploration costs.

The directors consider that the carrying amount of financial liabilities approximates their fair value. The average credit period taken for purchases is 51 days (2013: 483 days).

19. DEFERRED TAX LIABILITY

	2014 US$'000	2013 US$'000
At 1 April	(1,110)	(15,886)
Release of deferred tax asset	–	(2,710)
Release of deferred tax charge	–	15,190
Unwinding of deferred tax liability	748	–
Exchange differences	142	2,296
At 31 March	(220)	(1,110)

Deferred income tax assets are recognised for cumulative tax losses to the extent that the realisation of the related tax benefit through future taxable profits were probable.

The Group has not recognised deferred income tax assets of US$26,441,000 (2013: US$26,551,000) that can be carried forward against future taxable income and future profits to cover the losses are uncertain.

The deferred tax liability relates entirely to Delta Mining Consolidated Limited which has been classified as an asset held for sale under discontinued operations. Please see Note 15.

20. SHARE CAPITAL

	Ordinary shares of no par value Allotted and fully paid	
	Number	US$'000
At 1 April 2012	927,473,474	248,623
Issue of shares and exercise of warrants	550,000	175
At 1 April 2013	928,023,474	248,798
Issue of shares on exercise of warrants	450,000	14
Issue of shares to fund Group activities	180,000,000	27,398
Less share issue costs	–	(1,456)
At 31 March 2014	1,108,473,474	274,754

On 29 May 2012, 50,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £1,000 cash was received for these shares.

On 5 October 2012, 50,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £1,000 cash was received for these shares.

On 16 October 2012, 100,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £2,000 cash was received for these shares.

On 7 January 2013, 150,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £3,000 cash was received for these shares.

On 8 February 2013, 200,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £4,000 cash was received for these shares.

On 7 June 2013, 450,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £14,000 cash was received for these shares.

On 5 November 2013, 180,000,000 ordinary shares were issued fully paid for cash at 9.5 pence per ordinary share.

The Company has one class of ordinary share which carries no right to fixed income.

Notes to the Consolidated Financial Statements

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21. SHARE BASED PAYMENTS

Share Options

At 31 March 2014, the following options over ordinary shares of no par value have been granted to directors and employees and remain unexercised:

Date of grant	Number of shares	Exercise price	Exercise period
17 March 2010	1,000,000	28p	17 March 2011 to 16 March 2016
1 September 2010	2,000,000	20p	1 September 2011 to 31 August 2016
1 October 2010	600,000	20p	1 October 2011 to 31 September 2016
1 October 2010	500,000	20p	1 October 2012 to 31 September 2017
1 May 2013	250,000	8p	1 May 2014 to 30 April 2019
20 January 2014	2,000,000	10p	20 January 2015 to 20 January 2020
	6,350,000		

Equity-settled share option plan

The Group unapproved share option scheme was established to provide equity incentives to the directors of, employees of and consultants to the Group. The scheme is administered by the Board. The options are exercisable during a period (being not less than one year), such period to commence on a date determined by the Board, but not longer than five years from the date that they first become exercisable. Options are forfeited if the employee leaves the Group before the options vest.

At 31 March 2014, the following options over ordinary shares of the Company had been granted and not yet exercised:

Date of grant	2014 Number of Options	Weighted average exercise price	2014 Number of Options	Weighted average exercise price
Outstanding at 1 April	12,100,000	21.5p	12,100,000	21.5p
Granted during the period	2,250,000	9.8p	–	–
Lapsed during the period	(8,000,000)	21.3p	–	–
Outstanding at 31 March	6,350,000	17.6p	12,100,000	21.5p
Exercisable at 31 March	6,350,000	17.6p	12,100,000	21.5p

At 31 March 2014 the weighted average remaining contractual life of the options outstanding was 3.6 years (2013: 1.46 years).

Warrants

At 31 March 2014, the following warrants are in issue and have vested:

Date of grant	Number of shares	Exercise price	Exercise period
12 January 2010	4,000,000	10p	Until 12 January 2015
12 January 2010	4,000,000	20p	Until 12 January 2015
16 February 2010	500,000	12p	Until 2 February 2015
16 February 2010	500,000	22p	Until 2 February 2015
11 May 2011	15,000,000	2p	Until 10 December 2015
5 September 2011	2,000,000	2p	Until 10 December 2015
1 March 2012	5,000,000	2p	Until 10 December 2015
30 November 2012	4,000,000	2p	Until 10 December 2015
24 October 2013	5,000,000	2p	Until 10 December 2015
24 October 2013	2,000,000	2p	Until 10 December 2015
	42,000.000		

Equity settled warrants

As at 31 March 2014, the following warrants have been issued and remain unexercised:

Date of grant	2014 Number of Warrants	Weighted average exercise price	2014 Number of Warrants	Weighted average exercise price
Outstanding at 1 April	35,450,000	5.4p	31,500,000	15.2p
Granted during the period	7,000,000	2p	4,500,000	2p
Exercised during the period	(450,000)	2p	(550,000)	–
Outstanding at 31 March	42,000,000	4.8p	35,450,000	5.4p
Exercisable at 31 March	42,000,000	4.8p	34,450,000	5.4p

Warrants not issued

Ely Place Nominees Limited holds an additional 2,000,000 (2013: 2,000,000) warrants to be distributed among the employees of, directors of and consultants to the Company as instructed by the Board.

Monford Holdings Limited holds an additional 18,000,000 (2013: 25,000,000) warrants to be distributed among the employees of, directors of and consultants to the Company as instructed by the Board and Letsun Limited holds an additional 5,000,000 (2013: 5,000,000) warrants to be distributed among the employees of, directors of and consultants to the Company as instructed by the Board.

At 31 March 2014 the total warrant charge to the statement of comprehensive income was US$957,000 (2013: US$456,000).

Warrants

The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions at the following grant dates:

	Grant date 30 September 2012
Share price at the date of grant	9p
Risk free interest rate	0.34%
Annual dividend yield	Nil
Expected volatility	67.6%
Expected period until exercise after vesting	2.75 years
Fair value at the date of grant – warrants	6.139p

Warrants granted on 30 September 2012 were equity incentives to consultants of the Company.

	Grant date 30 November 2012
Share price at the date of grant	8.25p
Risk free interest rate	0.34%
Annual dividend yield	Nil
Expected volatility	67.6%
Expected period until exercise after vesting	2.5 years
Fair value at the date of grant – warrants	6.139p

Warrants granted on 30 November 2012 were equity incentives to consultants of the Company.

	Grant date 1 May 2013
Share price at the date of grant	8.13p
Risk free interest rate	0.34%
Annual dividend yield	Nil
Expected volatility	44.5%
Expected period until exercise after vesting	3 years
Fair value at the date of grant – warrants	2.515p

Share Options granted on 1 May 2013 were equity incentives to employees of the Company.

	Grant date 24 October 2013
Share price at the date of grant	10.38p
Risk free interest rate	0.59%
Annual dividend yield	Nil
Expected volatility	47.6%
Expected period until exercise after vesting	3 years
Fair value at the date of grant – warrants	8.441p

Warrants granted on 24 October 2013 were equity incentives to consultants of the Company.

Risk free interest rate is based on the five year gilt rate at the date of grant. Annual dividend yield is based on management's immediate intention to re-invest operating cash flows. Expected volatility was determined by calculating the historical volatility of the Group's share price over the year prior to the date of grant post the change in the strategy of the Group. The expected period until exercise is based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Notes to the Consolidated Financial Statements

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22. SUBSIDIARIES

As at 31 March 2014, the Company held equity in the following subsidiaries:

Subsidiary	Proportion held	Country of incorporation	Nature of business
Procana Limitada	94%	Mozambique	Dormant
Tanaka Investments Limited	100%	Mauritius	Holding Company
Someden Investments (Pvt) Limited	100%	Zimbabwe	Holding Company
Monaf Investments (Pvt) Limited	80%	Zimbabwe	Exploration
Postwall Properties (Pvt) Limited	99%	Zimbabwe	Property Holding
Liberation Mining (Pvt) Limited	75%	Zimbabwe	Exploration
African Iron Ore Investments Limited	100%	Mauritius	Holding Company
Southern Cross Investments Limited	100%	Isle of Man	Exploration
Liberian Iron Ore Investments Limited	100%	Liberia	Exploration
Salmec Resources Limited	60%	Liberia	Exploration
Guinea Development Mineral Resources SA	100%	Republic of Guinea	Exploration
Guinea Metaux De Base SA	80%	Republic of Guinea	Exploration
West Africa Exploration SAU	80%	Republic of Guinea	Exploration
Kakoulima Base Metals SARL	100%	Republic of Guinea	Exploration
West Africa Exploration Logistics	100%	Republic of Guinea	Logistics
Red Rock Mining Limited	80%	Sierra Leone	Exploration
Delta Mining Consolidated Limited	63.5%	South Africa	Exploration
Apex Petroleum Company (Pvt) Limited	95%	Zimbabwe	Exploration
Sable Aircraft Company (Pty) Limited	100%	South Africa	Aviation

Control is deemed to exist where the Company has the power to govern the financial and operating policies of the entity.

23. EXPLANATION OF RESERVES

Share based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Warrants reserve

The warrants reserve is used to recognise the fair value of the issuance of warrants, net of issue costs. It is non-distributable and will be transferred to the share capital reserve upon the exercise of the warrants.

Foreign currency translation reserve

Foreign currency translation reserve represents the gains/losses arising on translating the net assets of overseas operations into the Group's functional currency of USD $.

Retained earnings

Retained earnings reflect the entity's accumulated earnings recognised in the consolidated statement of financial position.

24. INVESTMENT IN ASSOCIATES

	US$'000
At 1 April 2012	–
Share of loss for the year	–
At 1 April 2013	–
Share of loss for the year	–
At 31 March 2014	–

The Company has a 20% interest in a UK company, African Management Services Limited (AMS), which provides accounting services. The Group's share of the unrecognised profit of the associate for the year ended 31 March 2014 was US$8,800 (2013: US$39,000 loss). The directors have not recognised the profit of AMS due to it being immaterial to these accounts.

25. OPERATING LEASE ARRANGEMENTS

The Group as a lessee:
Non-cancellable operating lease rentals are payable as follows:

	2014 US$'000	2013 US$'000
Less than one year	23	105
Between one and five years	–	23
	23	128

Zimbabwe office:
- 1 year lease signed on 01/08/2009. Renewable annually.
- Escalation charge of 10% per annum.
- Monthly charge of US$5,856
- Due to expire on 30/07/2014.
- All costs paid for by lessee (maintenance, electricity etc) however if leasehold improvements are made and paid for by the lessee then this cost will be offset from future rental amounts.

26. RELATED PARTY DISCLOSURES

1) PH Edmonds and AS Groves, directors of and shareholders in the Company, are also directors of and/or shareholders in African Management Services Limited ("AMS"), Agriterra Limited ("Agriterra"), Liberia Cocoa Corporation ("LCC"), African Potash Limited ("African Potash") and Tropical Farms Limited ("Tropical Farms").

   During the year, AMS provided accounting and treasury services to the Group for a management fee of US$727,000 (2013: US$755,000). As at 31 March 2014, US$43,000 has been paid in advance for April 2014 and May 2014 management fees and is included in Other Receivables (2013: US$73,000). As at 31 March 2014 an amount of US$270,000 was owed by AMS (2013: US$270,000) and is included in Other Receivables.

   During the year, the Group incurred certain expenditures of US$124,000 (2013: US$94,000) which were settled by Agriterra. As at 31 March 2014, the Group had US$nil due to Agriterra (2013: US$28,101).

   During the year, the Group settled expenses which were incurred by African Potash of US$2,000 (2013: US$17,000). As at 31 March 2014, US$nil was owing to the Group (2013: US$17,000).

   As at 31 March 2014, US$17,000 was owed by the directors to the Company in the form of short term loans. These were subsequently repaid after the year end.

2) A Sampil, a non-executive director of the Company, is also a director of and/or a shareholder in Nimba Mining Limited ("Nimba Mining") and Faniya Ressources SAU ("Faniya"). Nimba Mining is the owner of 20% of West Africa Exploration Sarl (the Company being the owner of the remaining 80%).

   During the year the Company paid consultancy fees of US$5,000,000 to Faniya for services provided by Faniya in relation to the Nimba Project. Since the year end a further US$1,000,000 has been paid by the Company to Faniya. As at 31 March 2014 the balance owing to Faniya was US$nil (2013: US$nil). All of these costs were capitalised within Evaluation and Exploration assets.

3) Remuneration of key management personnel
   The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in note 7.

	2014 US$'000	2013 US$'000
Short-term employee benefits	1,287	1,571

27. CONTINGENT LIABILITIES

Asset acquisitions

Conditions precedent in various asset acquisition agreements concluded during the year ended 31 March 2012 may give rise to future cash liabilities of US$5,000,000 (2012: US$5,000,000) and equity issues of US$40,000,000 (2012: US$60,000,000) over the next three years. These conditions precedent are dependent on the results of the drilling programmes being conducted and the estimated tonnage of the resources.

28. POST BALANCE SHEET EVENTS

At the date of signature, no post balance sheet events were noted.

29. CONTROLLING PARTY

There is no ultimate controlling party.

Directors and Advisers

Directors
Jim Cochrane
Non-Executive Chairman

Andrew Groves
Chief Executive Officer

Andrew Burns
Chief Finance Officer

Philippe Edmonds MA (Cantab)
Non-Executive Director

Aboubacar Sampil
Non-Executive Director

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Philip Enoch MA (Oxon)

Assistant secretary
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