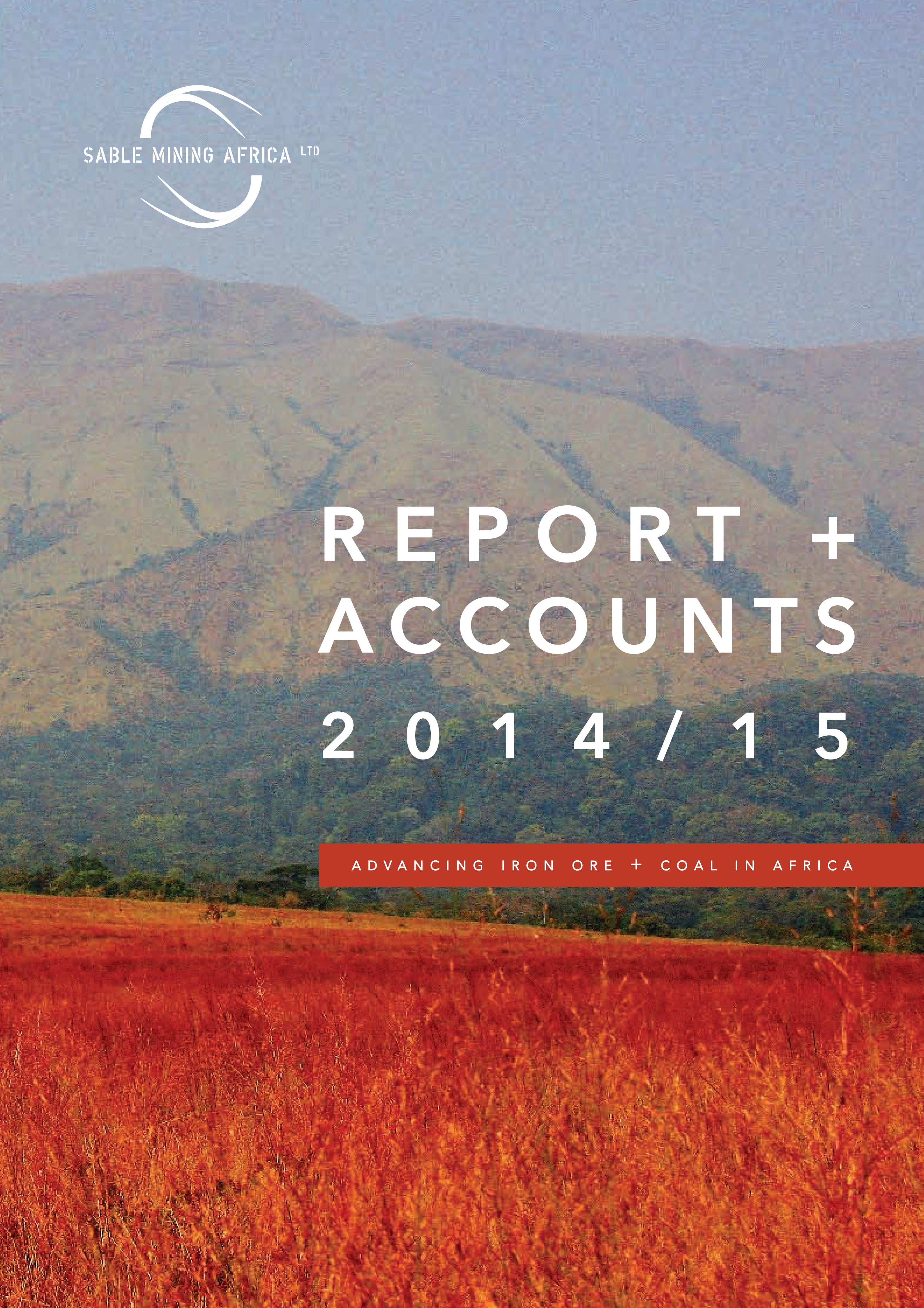
SABLE MINING AFRICA LTD

REPORT + ACCOUNTS 2014/15

ADVANCING IRON ORE + COAL IN AFRICA



OVERVIEW

BUSINESS REVIEW

GOVERNANCE

FINANCIAL STATEMENTS

SABLE MINING AFRICA IS AN AIM QUOTED RESOURCE COMPANY FOCUSED ON THE DEVELOPMENT OF THE HIGH GRADE, HIGH TONNAGE AND LOW CAPEX NIMBA IRON ORE PROJECT IN SOUTH-EAST GUINEA.

WITH A CURRENT MINERAL RESOURCE OF 205.2 MILLION TONNES AT AN IN-SITU GRADE OF 57.8% IRON, AND SIGNIFICANT FURTHER UPSIDE AVAILABLE, NIMBA HAS DEMONSTRATED ITS VALUE AS A SIGNIFICANT NEW IRON ORE DISCOVERY AND ONE OF THE LARGEST UNDEVELOPED ON- OR NEAR-RAIL DSO PROJECTS TO BE HELD OUTSIDE THE MAJOR MINING COMPANIES IN WEST AFRICA.

HIGHLIGHTS 2014/15

GOVERNMENT SUPPORT
25 YEAR
IDA TO EXPORT FROM GUINEA THROUGH LIBERIA

205.2MT
RESOURCE
@57.8%
FE

HIGH GRADE
63.33%
LUMP FINES

20+
YEARS
LIFE OF MINE

LOW COST
DSO YIELD OF 86%
FROM SIMPLE CRUSH +
SCREEN PROCESSING

ZIMBABWE
COAL ASSETS
+
POWER PLANT
POTENTIAL

ESTABLISHED
INFRA-
STRUCTURE
80 KM FROM RAIL LINE
240 KM FROM PORT

SABLE MINING IS FOCUSED ON THE RAPID ADVANCEMENT OF THE NIMBA IRON ORE PROJECT IN SOUTH-EAST GUINEA INTO COMMERCIAL PRODUCTION. COMBINING HIGH GRADE, HIGH TONNAGE, VIRTUALLY NO STRIP RATIO AND PROXIMAL RAIL INFRASTRUCTURE, NIMBA HAS SIGNIFICANT POTENTIAL TO RAPIDLY BECOME A WORLD CLASS IRON ORE PRODUCTION ASSET.

OVERVIEW

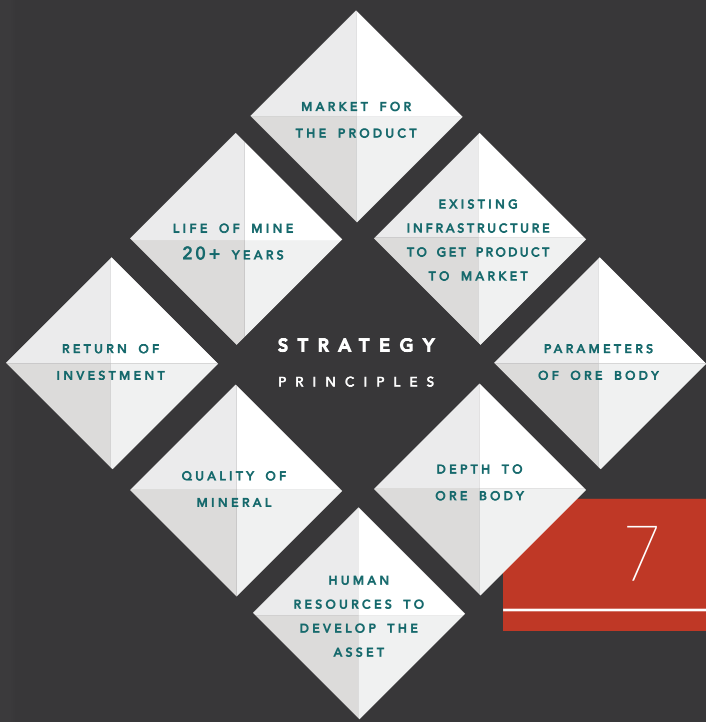
SABLE MINING RETAINS INTERESTS IN ADDITIONAL NON-CORE COAL ASSETS IN ZIMBABWE, WHICH IT SEEKS TO BEST REALISE VALUE FROM.

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.

With near surface, high grade mineralisation, proximal access to infrastructure, a defined export route and strong government support, the Nimba Iron Ore Asset offers near term production opportunities with relatively low capital expenditure. As a result, Sable Mining's primary focus is on the rapid advancement of this asset and the completion of necessary milestones to achieve this, including the completion of the Bankable Feasibility Study.

Aside from the Nimba Iron Ore Project, Sable Mining retains interests in non-core coal assets in Zimbabwe. In light of the energy and power dynamics in southern Africa, the Board has undertaken a strategic review of these assets and is assessing how to best realise value from these investments.

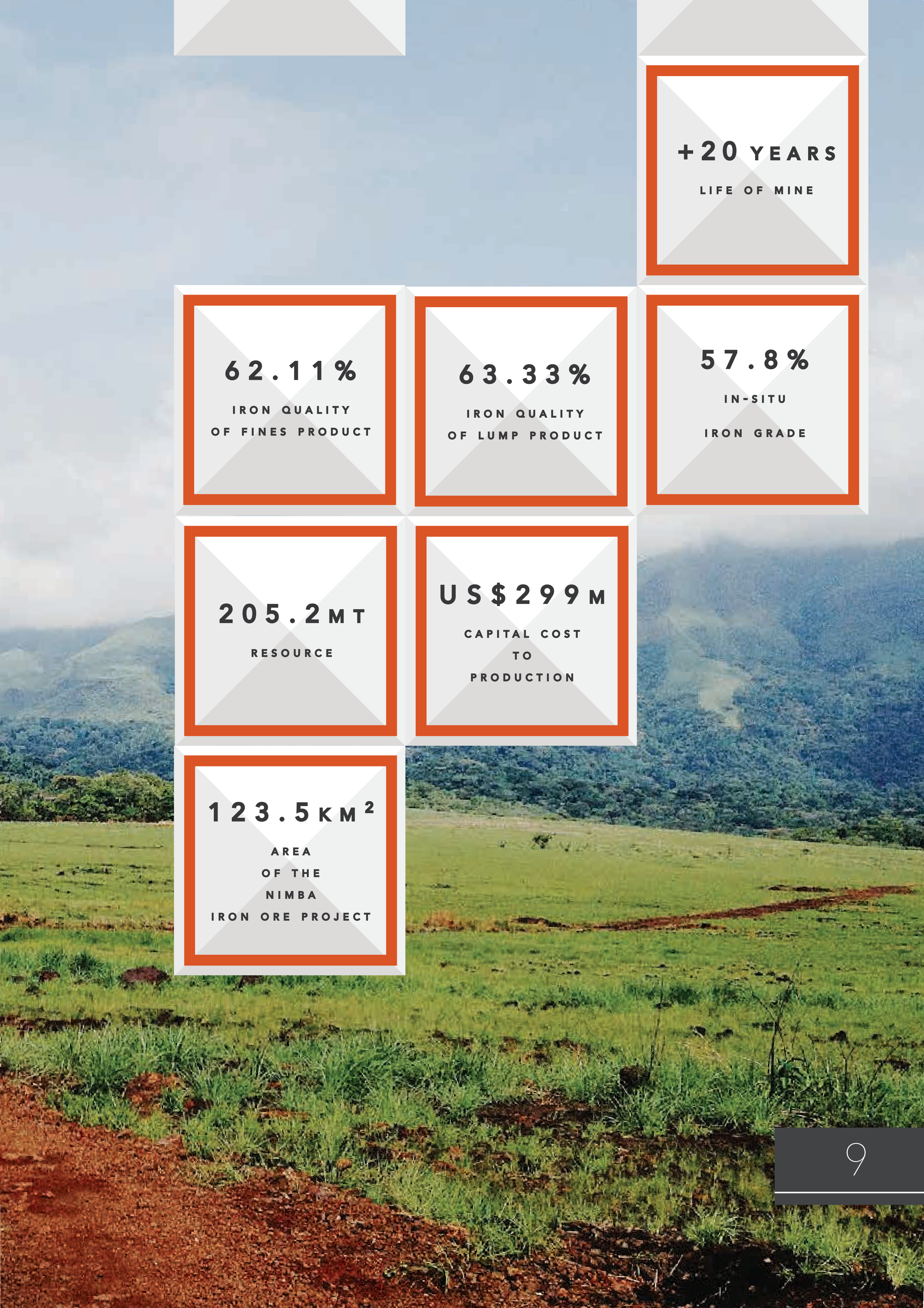


WHY NIMBA?

OUR INVESTOR PROPOSITION

THE BOARD OF SABLE MINING BELIEVES THAT THE NIMBA IRON ORE PROJECT IN SOUTH-EAST GUINEA 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, COMBINED 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.



+20 YEARS

LIFE OF MINE

62.11%

IRON QUALITY
OF FINES PRODUCT

63.33%

IRON QUALITY
OF LUMP PRODUCT

57.8%

IN-SITU
IRON GRADE

205.2MT

RESOURCE

US$299M

CAPITAL COST
TO
PRODUCTION

123.5KM²

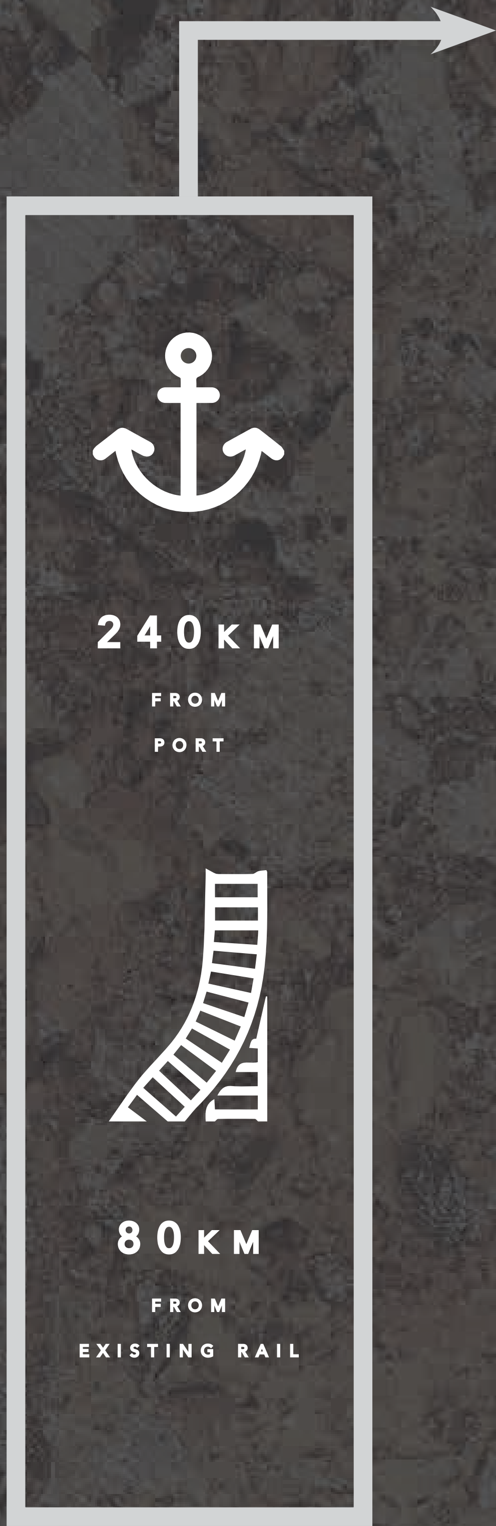
AREA
OF THE
NIMBA
IRON ORE PROJECT

VALUE DRIVEN

1 DEVELOPMENT MILESTONES

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

MINING LICENCE	*GRANTED*	9.2013
EXPORT LICENCE	*GRANTED*	10.2013
INFRASTRUCTURE MOU	*SIGNED*	11.2013
PRE-FEASIBILITY STUDY	*COMPLETED*	3.2014
RAIL + PORT INFRASTRUCTURE DEVELOPMENT AGREEMENT	*GRANTED*	1.2015
BANKABLE FEASIBILITY STUDY	*PENDING*	



2 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 80km 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, whilst a landmark infrastructure agreement with the Government of Liberia was granted in January 2015. Sable will continue to work closely with the Governments of both Liberia and Guinea to develop this export route.

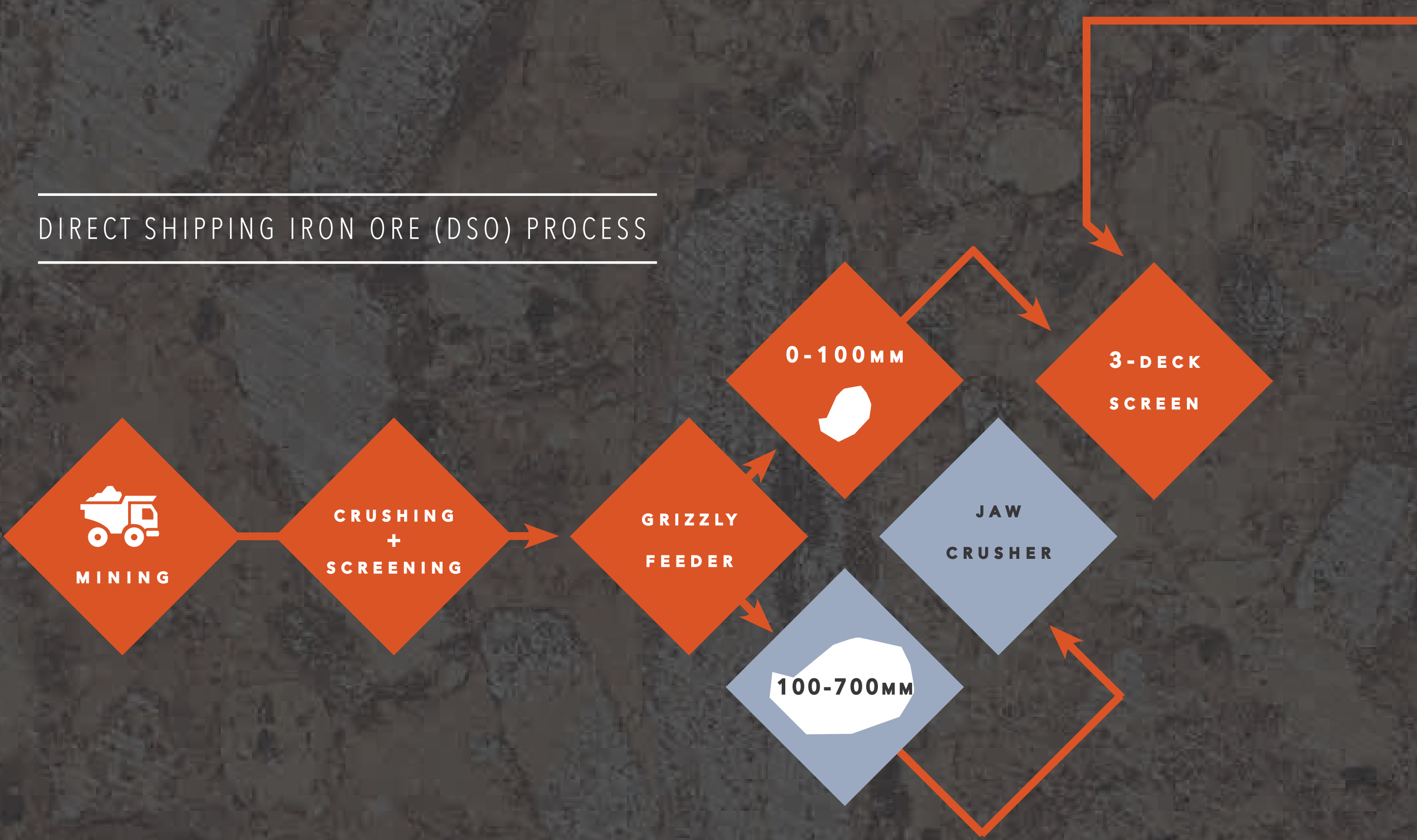
3 JORC RESOURCE

Sable Mining currently has a global JORC resource of 205.2 million tonnes at an in-situ grade of 57.8% iron. This Mineral Resource Estimate has been calculated from drilling campaigns across Plateaux 2 and 3 of the Nimba Iron Ore Project. The larger Plateau 1 has only undergone limited reconnaissance drilling to-date but has an exploration target of 261Mt for Plateau 1 based on ground penetrating radar, demonstrating the potential for significant further resource upside.

4 DSO GRADE

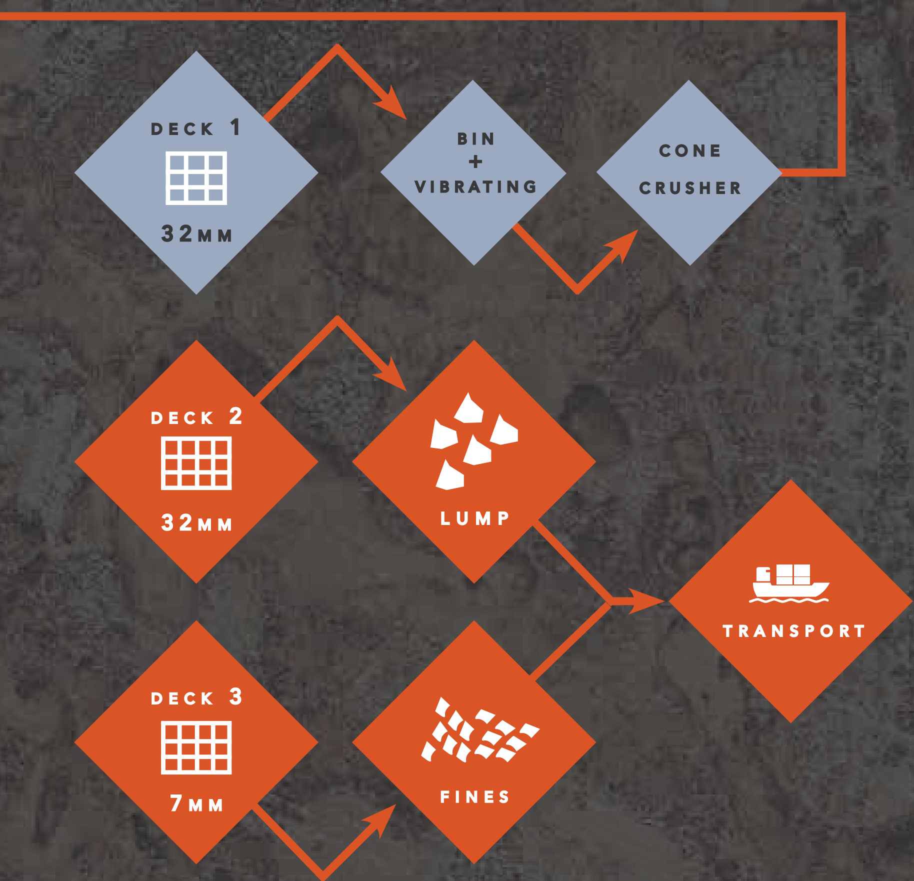
A significant DSO Resource has been delineated at Nimba, and recent metallurgical results have highlighted the Project's commercial viability. The test work has demonstrated that the iron mineralisation is amenable to relatively low cost production as the deposit contains easily fragmented rock, allowing 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.

DIRECT SHIPPING IRON ORE (DSO) PROCESS



5 NEAR-SURFACE MINERALISATION

Nimba's high grade iron ore mineralisation occurs at surface, which will positively reduce the stripping ratio to negligible levels and significantly enhance 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.



PROJECT BACKGROUND

The Nimba Iron Ore Project is located in the far south-east of Guinea, in close proximity with the border of Liberia and the Ivory Coast, and approximately 800km by road to the country's capital, Conakry, 80km from an existing operating railway at Tokadeh, Liberia and 240km 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 high grade iron ore deposits with virtually no strip ratio, in a terrain which has demonstrated itself to be simple to mine and process, through blast and crush methods.

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 KM2
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

2015

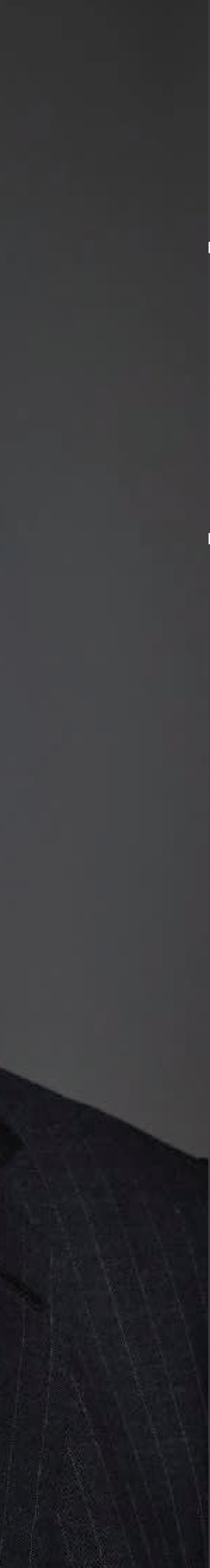
JANUARY	INFRASTRUCTURE DEVELOPMENT AGREEMENT WITH THE GOVERNMENT OF LIBERIA SIGNED TO UTILISE ESTABLISHED RAIL CORRIDOR TO THE PORT OF BUCHANAN
FEBRUARY	JORC RESOURCE INCREASED – 205.2MT @ 57.8 FE
JULY	METALLURGICAL TESTWORK SHOWS A LIFE OF MINE OF MORE THAN 20 YEARS AND WITH INITIAL 10 YEARS LIFE OF MINE POSSIBLE FROM PLATEAU 2 LUMP AND FINES PRODUCTS EXCLUSIVELY

LOOKING AHEAD

- TECHNICAL STUDIES
- BANKABLE FEASIBILITY STUDY
- FINANCING + COMMENCEMENT OF CONSTRUCTION
- PRODUCTION

BUSINESS REVIEW

During the period under review, the company continued to evaluate and advance its iron ore and coal assets in Africa in spite of the challenging environment. The backdrop to resource development has been tough but we have made progress on a number of fronts on what we believe are long-term strategic assets.



CHAIRMAN'S STATEMENT

IRON ORE, GUINEA

Notwithstanding the challenges faced, the Board believes the Company's Nimba iron ore project in south-east Guinea ('Nimba' or the 'Project') continues to hold considerable commercial value as a high-grade, high-margin, low-capital prospect. Despite the current market appetite for iron ore plays, the Board believes that Nimba remains a highly compelling iron ore development project due to a unique combination of factors, which are outlined below.

GEOLOGY

Nimba boasts high grade hard lumpy direct shipping ore ('DSO') material, a key differentiator from other similar projects. Following the completion of 231 Reverse Circulation ('RC') drill holes totalling 5,345 metres (in addition to 373 diamond core ('DC') drill holes totalling 7,167.86 metres) across Plateau 2 and Plateau 3, we increased the total JORC Resource for the Project to 205.2 million tonnes ('Mt') at an average in-situ grade of 57.8% iron ('Fe') at a Fe cut-off of 40%. Importantly we also improved the resource confidence, with the measured and indicated portion increasing by 31% to 195.0Mt.

Whilst both of these increases are significant in further defining Nimba's commercial value, I would like to highlight that the drill work also identified very low clay content within the upper portion of the unconsolidated domain, increasing the Direct Shipping Ore ('DSO') product stream.

OPERATIONS REVIEW

METALLURGY

Metallurgical test work has demonstrated an overall lump fraction of 37%, and confirmed a DSO yield of 86% from simple, low cost, crush and screen processing, with easily fragmented rock identified (UCS averaging 20Mpa and CWI averaging 3kWh/t). This will allow for high crushing rates at low power consumption, positively impacting capex.

Detailed mine scheduling has highlighted the Project's ability to sustain the production of both high quality premium grade lump and fines products over an initial ten year life of mine, exclusively from the Plateau 2 area. With grades of 63.33% and 62.11% Fe returned from the lump and fines product respectively, and the mechanical and thermal properties of the proposed premium lump proven to be excellent, we believe the Nimba product has significant commercial value. Furthermore, the results of this mine scheduling has the potential to further enhance the total operational and capital expenditure of the Project, as potential revenue generation from Plateau 2 could support the continued development of the wider Project, including Plateau 3 and the larger Plateau 1, which has been the subject of limited reconnaissance drilling.

Further metallurgical test work is now underway to determine the sinter characteristics of the fines product for processing and further define the quality of the end product. This improved resource understanding will assist the Company in identifying future export opportunities into markets such as Europe and China.

LOCATION

Nimba is located close to established infrastructure in Liberia; an operating rail line is located approximately ~80km from the Project at Tokedah, near Yekepa, which runs ~240km to the deep water Port Buchanan on the Liberian coast. Whilst some investment will need to be made to connect Nimba to this line, mainly the construction of a 65km haul road to Yekepa, and the refurbishment of an 18km railway extension to connect Yekepa to the existing shared rail line at Tokedah, this established rail route significantly enhances Nimba's economics. Secure access to this export route ensures the viability of the Project because - as compared to its peer group - Nimba's capex requirement is greatly reduced. This export route will also provide an immeasurable boost to the mining industry in south-eastern Guinea.

STRONG GOVERNMENTAL SUPPORT

On 23 January 2015 the Company's 80% subsidiary, West Africa Exploration SA, entered into a landmark 25 year infrastructure development agreement with the Government of Liberia ('IDA'), relating to the development, ownership rights, financing, use and operation of rail and port infrastructure in Liberia necessary to facilitate the export of iron ore from the Project through Liberia utilising the established rail line from Yekepa to the port of Buchanan.

The spirit of co-operation between Guinea and Liberia in respect of the Project has not only meant a defined development path can be established for this strategic asset, but also provides a clear signal to other international enterprises that the Mano River Union region is an attractive investment destination.

The Company is expected to begin implementation as soon as practicable after the IDA is ratified by the National Legislature of Liberia and we will continue to work closely with the Governments of both Liberia and Guinea to develop this export route for the benefit of all parties.

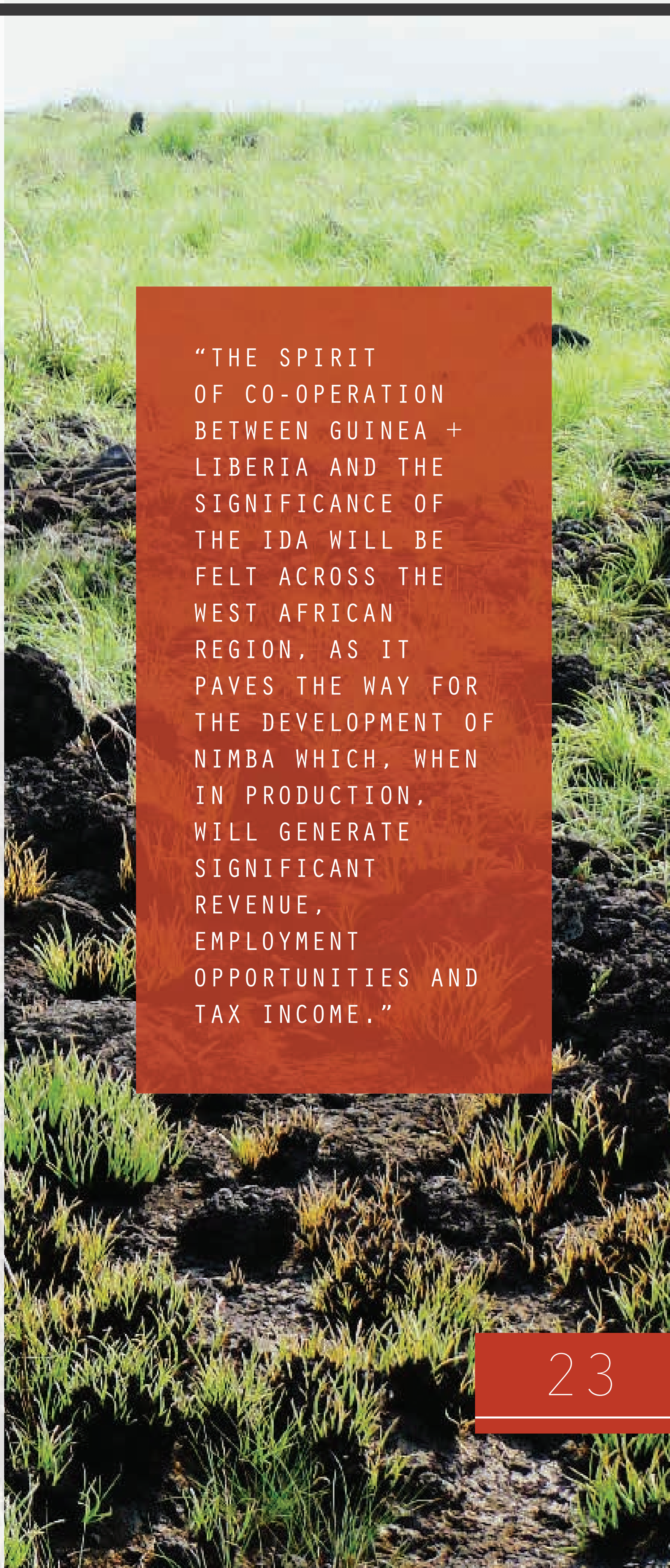
With these factors in mind, the Board remains focused on delivering on the major project milestones needed to ensure that, when conditions permit, Nimba is ready to be advanced and can deliver on its commercial potential.

Importantly, Nimba has a relatively modest projected capex of approximately $300 million (for a 3-3.5 Mtpa operation), which distinguishes the Project when set against the current backdrop of a depressed iron ore market, which makes many iron ore plays unviable due to high capital costs. With an enhanced resource established during the past year, there is significant opportunity to improve the fundamentals of Nimba further, in particular the operating cost to reflect the current downward price trends.

We are now working towards completing technical studies, which will provide an update of the operational and economic viability of Nimba, taking into account ongoing detailed studies relating to mine and haul road design in Guinea, the aforementioned metallurgical work, plus further refinement of concepts where appropriate. Given that the resource has now been increased by 15% since the time of the PFS, and there remains a considerable amount of resource upside including potential tonnages from Plateau 1, the opportunity for further material economic improvements is clearly evident. Following this, we are aiming for a full Bankable Feasibility Study ('BFS') to be issued, which will also calculate any infrastructure development requirements in Liberia. Schedules for our technical studies and BFS are currently being evaluated and further updates on projected timescales will be made in due course. During this period, where work on the Project focuses on refining the necessary studies, our non-core workforce in country has been reduced to conserve funds in readiness for moving into the next phase of development when we will again ramp up quickly.

As with many other bulk commodities, the iron ore price came under severe pressure during the year; from a high of US$114.58 in April 2014, the price ended at US$58.00 at the end of March 2015 (a fall of 49%) (note these are Consensus Economics spot numbers and don't consider Value In Use premiums). The fall in price resulted from a slowdown of economic growth in China and the strengthening US dollar against a backdrop of a sustained period of high prices which had elevated production levels. Indeed at the time of writing, the price has deteriorated further. These lower prices have caused a number of mine closures and further reductions in production at other operations can be expected. However, the consensus long term price forecast remains above current prices and that, coupled with continued strength in lump premiums, means there is still room for optimism as far as Sable's prospects are concerned.

On a more positive note, we are delighted that the region is now showing positive signs of recovery from the Ebola crisis. The Company was active in supporting preventative initiatives in the locality of the Project to limit the spread of the disease and also assisting the community in dealing with the situation. With increased awareness we truly hope that the disease will not return and the region can focus on its development.



"THE SPIRIT OF CO-OPERATION BETWEEN GUINEA + LIBERIA AND THE SIGNIFICANCE OF THE IDA WILL BE FELT ACROSS THE WEST AFRICAN REGION, AS IT PAVES THE WAY FOR THE DEVELOPMENT OF NIMBA WHICH, WHEN IN PRODUCTION, WILL GENERATE SIGNIFICANT REVENUE, EMPLOYMENT OPPORTUNITIES AND TAX INCOME."

COAL, ZIMBABWE

We are currently assessing ways in which to best generate value from these assets and in line with this, have recently commissioned international consultants Aurecon, to conduct a scoping study to assess the potential of establishing a coal fired power plant to generate electricity in our project area. The electricity generated by the plant would be available for domestic industrial use and/or export to neighbouring countries of South Africa, Namibia, Botswana and Zambia, via connection to the established grid.

Initial findings of this scoping study are positive and as a result we have recently met with senior members of the Zimbabwean government and civil service, with a view to developing framework agreements for the establishment of the plant and potential off-take arrangements. In addition, we have commenced the process of discussions with potential international off-take partners and investors. We look forward to providing further information on these exciting and potentially transformative developments in due course.

ASIDE FROM NIMBA, WE ALSO HOLD A PORTFOLIO OF ZIMBABWEAN COAL ASSETS LOCATED IN THE MID KAROO ZAMBEZI COAL BASIN IN THE ESTABLISHED HWANGE MINING DISTRICT OF NORTH-WESTERN ZIMBABWE (BEING THE 19,236 HECTARES LUBU COAL PROJECT) AND IN THE ADJACENT LUSULU AREA OF THE KARIBA COAL BASIN.

FINANCIAL REVIEW

Sable Mining is a resource development operation and as such does not generate revenues. Accordingly, Sable Mining is reporting for the year ended 31 March 2015 a pre-tax loss on continuing activities of US$11.2 million (2014: US$39.6 million). As at 31 March 2015 cash balances were US$6.25 million (2014: US$20.1 million).

OUTLOOK

Our principal aim remains to advance Nimba towards production as swiftly as possible, whilst seeking to maximise stakeholder value throughout our asset portfolio as demonstrated by the recently announced sale of non-core assets, which have boosted cash reserves by nearly $2 million. The factors set out above clearly demonstrate Nimba is a unique iron ore asset with commercial potential, even during periods of depressed spot prices. The next milestone developments will be completing our technical studies and thereafter publishing our BFS. We are confident that the BFS will further enhance the already attractive economics of the Project. At the same time we also look forward to exploring the possibilities for developing our coal assets in Zimbabwe and the power plant potential referred to above.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK OUR TEAM, TOGETHER WITH OUR INVESTORS + STAKEHOLDERS, FOR THEIR CONTINUED SUPPORT + COMMITMENT.

- JIM COCHRANE

NON-EXECUTIVE CHAIRMAN

GOVERNANCE

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 2015 FOR THE COMPANY AND ITS SUBSIDIARIES (ALTOGETHER THE "GROUP"). SABLE IS AN AIM LISTED COMPANY, INCORPORATED IN THE BRITISH VIRGIN ISLANDS.

PRINCIPAL ACTIVITIES + FUTURE DEVELOPMENTS

A review of the Group's performance, and an update on operations is included in the Chairman's Statement on pages 18-25.

RESULTS + DIVIDEND

The Group results for the year ended 31 March 2015 show a loss after taxation on continuing activities of $11,237,000 (2014: $39,619,000) and a loss from discontinued activities of $11,000 (2014: $10,194,000). The loss for the year is mainly attributable to the impairment of intangible assets of $6,511,000 (2014: $27,786,000) which is more fully explained in note 12. The directors do not recommend a dividend (2014: $nil)

DIRECTORS

The Directors who served during the year were:

JAK Cochrane	Non-Executive Chairman
AS Groves	Chief Executive Officer
AR Burns	Chief Financial Officer
PH Edmonds	Non-Executive Director (Resigned 07 October 2014)
A 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 2015	**31 March 2014**
PH Edmonds	7,500,000	7,500,000
AS Groves	7,500,000	7,500,000
AR Burns		
A Sampil		
JAK Cochrane		

The Directors' interests in share options of the Company as at 31 March 2015 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 5 years after vesting.

The Directors' interests in warrants of the Company as at 31 March 2015 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 2015 and 28 August 2015.

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 28 August 2015 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	64,750,994	5.84%
US Global Investor Funds	46,188,390	4.17%
RAB Capital Limited	42,000,000	3.79%
Knighthead Capital Management	41,331,740	3.73%
TT International	41,087,074	3.71%
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 + 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 25 to the financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held before 31 December 2015 in accordance with British Virgin Island law. A notice convening the Annual General Meeting of the Company will be sent out in due course.

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
28 August 2015

CORPORATE GOVERNANCE

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 one non-executive Director. 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 6 to the financial statements.

AS Groves and AR Burns have entered into a service agreement with the Company. Mr Groves' service agreements is terminable on 12 months' notice by either the Company or the Director. Mr Groves' annual salary is £242,000 ($358,000). In addition, Mr Groves may be eligible for an annual bonus under the terms of his service agreement. No bonus was paid in the current year (2014: $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 £125,000 ($185,000).

A Sampil has been appointed as a non-executive Director with an annual salary of £80,000 ($120,000). Mr Sampil is a director and shareholder of Faniya Ressources SAU which was paid consultancy fees of $1,125,000 during the year (see note 24). Faniya Ressources SAU were also reimbursed $297,000 for costs incurred on behalf of Sable Mining during the year.

J. Cochrane was appointed non-executive Chairman with an annual salary of £100,000 ($148,000).

Share options and warrants have been granted to the Directors, the details of which have been set out in the Directors' Report on page 28.

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 18-25. 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 + 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

As noted in the Chairman's Statement the Group are delighted that the region is now showing positive signs of recovery from the Ebola crisis but continue to monitor the situation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABLE MINING AFRICA LIMITED

IN ACCORDANCE WITH OUR LETTER OF ENGAGEMENT DATED JUNE 2012 WE HAVE AUDITED THE GROUP FINANCIAL STATEMENTS ON PAGES 38-73. THE COMPANY IS ALSO REQUIRED TO COMPLY WITH THE BRITISH VIRGIN ISLANDS BUSINESS COMPANIES ACT 2004, AND UNDER THE ARTICLES OF ASSOCIATION THE COMPANY IS REQUIRED TO COMPLY WITH SPECIFIED PROVISIONS OF THE UK COMPANIES ACT 2006 AS IF IT WERE A PUBLIC LIMITED COMPANY INCORPORATED IN ENGLAND AND WALES (TOGETHER "APPLICABLE LAW"). 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 report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS + AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 33, the Directors are responsible for the preparation of the Group 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 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/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2015 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 applicable law

OPINION ON OTHER MATTER ON WHICH WE ARE ENGAGED TO REPORT

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

MATTERS ON WHICH WE ARE ENGAGED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where we are engaged to report to you, if in our opinion:

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

Paul Watts (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP,
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London. EC4A 4AB
Date 28 August 2015

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Year ended 31 March 2015 $'000	Year ended 31 March 2014 $'000
Continuing Operations			
Operating expenses	5	(6,010)	(8,561)
Impairment of plant and equipment	13	–	(3,750)
Impairment of intangible assets	12	(6,511)	(27,786)
Impairment of other receivables	15	(70)	–
Operating loss	5	(12,591)	(40,097)
Other gains and losses	7	1,296	381
Finance income	8	58	97
Finance cost	8	–	–
Loss before taxation		(11,237)	(39,619)
Income tax expense	9	–	–
Loss for the year from continuing operations		(11,237)	(39,619)
Discontinued Operations			
(Loss) for the year from discontinued operations	10,14	(11)	(10,194)
Loss for the year		(11,248)	(49,813)
Loss for the year attributable to owners of the parent company		(10,339)	(47,827)
Loss for the year attributable to non-controlling interests		(909)	(1,986)
Loss for the year		(11,248)	(49,813)
Loss per share			
– Basic and diluted	11	(0.9 cents)	(4.8 cents)
Loss per share from continuing operations			
– Basic and diluted	11	(0.9 cents)	(3.8 cents)
Loss per share from discontinued operations			
– Basic and diluted	11	(0 cents)	(1.0 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	2015 $'000	2014 $'000
Loss for the year	(11,248)	(49,813)
Items that may be subsequently reclassified to profit or loss		
Foreign exchange translation differences	(1,184)	(1,829)
Other comprehensive income for the year	(1,184)	(1,829)
Total comprehensive income for the year	(12,432)	(51,642)
Attributable to the owners of the parent company	(11,523)	(49,656)
Attributable to non-controlling interests	(909)	(1,986)
Total comprehensive income for the year	(12,432)	(51,642)

The notes on pages 43 to 73 form part of the financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2015

	Note	Year ended 31 March 2015 $'000	Year ended 31 March 2014 $'000
Assets			
Non-current assets			
Intangible assets	12	29,910	28,609
Property, plant and equipment	13	3,418	4,272
Loans and other receivables	15,16	–	–
Total non-current assets		33,328	32,881
Current assets			
Trade and other receivables	15	1,021	671
Cash and cash equivalents	15	6,249	20,075
Total current assets		7,270	20,746
Disposal group assets	14	12,448	13,671
Total assets		**53,046**	**67,298**
Liabilities			
Non-current liabilities			
Long-term borrowings	16	–	–
Deferred tax liability	17	–	–
Total non-current liabilities		–	–
Current liabilities			
Trade and other payables	16	(1,640)	(2,766)
Total current liabilities		(1,640)	(2,766)
Disposal group liabilities	14	(11,379)	(12,171)
Total liabilities		(13,019)	(14,937)
Net assets		**40,027**	**52,361**
Equity			
Issued capital	18	274,754	274,754
Share based payment reserve		1,194	1,096
Warrant reserve		7,462	8,395
Translation reserve		(10,391)	(9,207)
Retained earnings		(233,811)	(224,405)
Total equity attributable to the owners of the parent company		39,208	50,633
Non-controlling interests		819	1,728
Total equity		**40,027**	**52,361**

The notes on pages 43 to 73 form part of the financial statements. The financial statements on pages 38 to 73 were approved and authorised for issue by the Board of Directors on 28 August 2015 and were signed on its behalf.

Andrew Burns
Chief Financial Officer

28 August 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the parent							
	Share capital $'000	**Share-based payment reserve** $'000	**Warrant reserve** $'000	**Translation reserve** $'000	**Retained earnings** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total** $'000
Balances at 1 April 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	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**
Balances at 31 March 2014	**274,754**	**1,096**	**8,395**	**(9,207)**	**(224,405)**	**50,633**	**1,728**	**52,361**
Loss for the year	–	–	–	–	(10,339)	(10,339)	(909)	(11,248)
Other comprehensive income								
Exchange translation differences on foreign operations	–	–	–	(1,184)	–	(1,184)	–	(1,184)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,184)**	**(10,339)**	**(11,523)**	**(909)**	**(12,432)**
Transactions with owners								
Share issues – warrants lapsed	–	–	(933)	–	933	–	–	–
Share based payment charge	–	98	–	–	–	98	–	98
Total transactions with owners	**-**	**98**	**(933)**	**-**	**933**	**98**	**-**	**98**
Balance at 31 March 2015	**274,754**	**1,194**	**7,462**	**(10,391)**	**(233,811)**	**39,208**	**819**	**40,027**

See note 21 for explanation of reserves

The notes on pages 43 to 73 form part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Year ended 31 March 2015 $'000	Year ended 31 March 2014 $'000
OPERATING ACTIVITIES			
Loss before tax		(11,248)	(39,619)
Adjustments for:			
– Depreciation of property, plant and equipment		1,077	809
– Amortisation of intangible assets		–	3
– Share based payment charge		98	989
– Other gains		(1,296)	(381)
– Loss/(gain) on foreign exchange		862	(1,724)
– Net interest income		(58)	(97)
– Write off of plant and equipment		–	3,750
– Impairment of intangible assets		6,511	27,786
– Impairment of other receivables		70	–
Operating cash flow before movements in working capital		(3,984)	(8,484)
Working capital adjustments:			
– Decrease in inventories		–	4
– (Increase)/decrease in receivables		(351)	95
– (Decrease) in payables		(1,125)	(1,611)
Net cash used in continuing operating activity		(5,460)	(9,996)
Net cash used in discontinued operating activity		(98)	(572)
Net cash used in operating activities		**(5,558)**	**(10,568)**
INVESTING ACTIVITIES			
Purchase of intangible assets arising from exploration and evaluation of mineral resources		(7,791)	(11,130)
Purchase of property, plant and equipment		(264)	–
Proceeds from disposal of property, plant and equipment		3	41
Net cash used in investing in continuing activities		(8,052)	(11,089)
Net cash used in investing activities		**(8,052)**	**(11,089)**
Proceeds from issue of share capital		–	27,412
Share issue costs		–	(1,456)
Net (decrease)/increase in cash and cash equivalents		**(13,610)**	**4,299**
Cash and cash equivalents at start of the year		20,075	15,899
Effect of foreign exchange rate changes		(216)	(123)
Cash and cash equivalents at end of the year		**6,249**	**20,075**

The notes on pages 43 to 73 form part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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 74. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement on pages 18 to 25.

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:

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)
IAS 28	Investments in Associates and Joint Ventures (as amended 2011) (effective 1 January 2014)

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 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)

* 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) 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

An assessment of going concern is made by the Directors at the date the Directors approve the financial statements, taking into account the relevant facts and circumstances at that date including:

- Review of the profit and cashflow forecasts for the year ahead
- Review of actual results against forecast
- Timing of cashflows
- Any financial or operational risks

2. SIGNIFICANT ACCOUNTING POLICIES continued

As with all exploration companies at this stage of the resource development cycle and no cash-flow from production, funding is derived through equity financing. From discussions with institutional investors who recognise the strategic value of the Company's iron ore and coal assets the Directors are confident that they can raise additional finance should this be necessary.

As with the majority of natural resource focused companies in the current climate the Directors have made strenuous efforts to reduce operating costs and overheads. Surplus plant and machinery has been identified and some of this has been sold in the current fiscal year and negotiations are ongoing to sell some non-core assets. Recently our shareholding in Salmec Resources Limited was sold for a cash consideration, after legal costs, of $694,000 (see note 25); and significant progress has been made with the disposal of Delta Mining Consolidated Limited which is now expected to complete in the third quarter of the current fiscal year (see note 14). The end of the drilling phase of the exploration process has allowed the Company to reduce its headcount in Guinea and the Directors have all taken 40% pay reductions.

These prudent measures have greatly reduced monthly cash usage. Therefore, the Directors continue to adopt the going concern basis in preparing the accounts as they have a reasonable expectation that sufficient funding will be available to enable the Group to meet its commitments for at least the 12 months from the date of approval of the financial statements.

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 12.

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 in the prior year it was reclassified as a disposal group under discontinued operations in the Group Financial Statements. Please see note 14.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

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.

(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:

2015	Closing Rate	Average Rate
Pounds Sterling (GBP): US Dollars	0.67	0.62
Guinea Franc (GNF): US Dollars	7,145.94	6,905.83
Mozambique New Metical (MZN): US Dollars	35.70	30.41
South African Rand (ZAR): US Dollars	12.08	11.21

2014	Closing Rate	Average Rate
Pounds Sterling (GBP): US Dollars	0.60	0.63
Guinea Franc (GNF): US Dollars	6,954.80	6,903.92
Mozambique New Metical (MZN): US Dollars	31.00	30.05
South African Rand (ZAR): US Dollars	10.57	10.10

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.

2. SIGNIFICANT ACCOUNTING POLICIES continued

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.

2. SIGNIFICANT ACCOUNTING POLICIES continued

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

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 2015 was $6.25 million (2014: $20.1 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 2015 the Group held cash deposits of $6.25 million (2014: $20.1 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 0.2% (2014: 0.4%).

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

	2015 $'000	**2014** $'000
Financial assets at floating rates	6,070	19,878
Financial assets at zero rate	179	197
	6,249	20,075

3. FINANCIAL RISK FACTORS continued

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:

2015	GBP $'000	US$ $'000	MZN $'000	GNF $'000	Total $'000
Cash and cash equivalents	2,961	3,193	21	74	6,249
Trade and other receivables	95	806	120	–	1,021
Total financial assets at 31 March 2015	3,056	3,999	141	74	7,270
Other payables and accruals	–	(1,640)		–	(1,640)
Total financial liabilities at 31 March 2015	–	(1,640)	–	–	(1,640)

2014	GBP $'000	US$ $'000	MZN $'000	GNF $'000	Total $'000
Cash and cash equivalents	8,906	11,092	23	54	20,075
Available for sale investment	–	–	–	–	–
Trade and other receivables	–	671	–	–	671
Loans and other receivables	–	–	–	–	-
Total financial assets at 31 March 2014	8,906	11,763	23	54	20,746
Other payables and accruals	–	(2,766)	–	–	(2,766)
Short-term borrowings	–	–	–	–	–
Long-term borrowings	–	–	–	–	–
Total financial liabilities at 31 March 2014	–	(2,766)	–	–	(2,766)

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 2015 and as at 31 March 2014.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

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.

Exchange rates:	Income Statement $'000	Equity $'000
2015		
+ 5% US$ Sterling (GBP)	148	148
- 5% US$ Sterling (GBP)	(148)	(148)
+ 5% US$ Mozambique New Metical (MZN)	1	1
- 5% US$ Mozambique New Metical (MZN)	(1)	(1)
+ 5% US$ Guinea Franc (GNF)	4	4
- 5% US$ Guinea Franc (GNF)	(4)	(4)
+ 5% US$ South African Rand (ZAR)	-	-
- 5% US$ South African Rand (ZAR)	-	-
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

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

3. FINANCIAL RISK FACTORS continued

Exchange rates:	Income Statement $'000	Equity $'000
2015		
+ 50 bp increase in interest rates	31	31
- 50 bp increase in interest rates	(31)	(31)
2014		
+ 50 bp increase in interest rates	41	41
- 50 bp increase in interest rates	(41)	(41)

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; and
- changes in currency mix.

4. 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 $'000	Unallocated $'000	Total $'000
Year ending 31 March 2015			
Segment results			
– Operating loss	(2,354)	(3,656)	(6,010)
– Impairments of intangibles	(6,511)	–	(6,511)
– Impairments of receivables	(37)	(33)	(70)
– Finance income	–	58	58
– Other gains/(losses)	1,439	(143)	1,296
Loss before tax from continuing operations	(7,463)	(3,774)	(11,237)
Income tax expense	–	–	–
Loss for the year from continuing activities	(7,463)	(3,774)	(11,237)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

	Exploration $'000	Unallocated $'000	Total $'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)

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

	Exploration $'000	Unallocated $'000	Group $'000
2015			
Depreciation	1,076	1	1,077
Amortisation	–	–	–
2014			
Depreciation	792	7	799
Amortisation	3	–	3

4. 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 $'000	Unallocated $'000	Discontinued Bio-energy/ DMC $'000	Group $'000
2015				
Assets	34,398	6,200	12,448	53,046
Liabilities	(1,298)	(342)	(11,379)	(13,019)
Capital Expenditure – Property, plant and equipment	260	4	–	264
Capital Expenditure – Intangible assets	7,791	–	–	7,791
Impairment loss – P&L	6,511	–	–	6,511
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

Segment assets comprise intangible assets, property, plant and equipment, trade and other receivables and cash and cash equivalents. Within Group assets of $53m, $29.9m (2014: $25.5m) relates to exploration intangible assets associated with the Nimba iron ore project in Guinea. $6.1m (2014: $19.9m) is held in cash by Sable Mining Africa Limited in the UK and Mauritius and $12.5m (2014: $13.7m) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5. OPERATING LOSS

Operating loss before impairments has been arrived at after charging:

	2015 $'000	2014 $'000
Staff costs (see note 6)	1,665	2,933
Travel costs	930	1,625
Pre-rights exploration expenses	133	127
Consulting fees	332	542
Management fees and office expenses	1,047	1,727
Operating lease rentals and related expenses	159	205
Audit fees	139	165
Professional and legal fees	287	224
Statutory expenses	241	211
Depreciation of property, plant and equipment	1,077	799
Amortisation of computer software	–	3
	6,010	8,561

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

	2015 $'000	2014 $'000
Group:		
Audit services		
– Non statutory audit of consolidated accounts	139	110
	139	110

6. STAFF COSTS

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

	2015 Number	2014 Number
Office and management	19	12
Operational	112	74
	131	86

The aggregate remuneration comprised:

	2015 $'000	2014 $'000
Wages and salaries	2,657	4,427
Share based payment charge	98	989
	2,755	5,416
Less staff costs capitalised and included in exploration assets	(1,090)	(2,483)
	1,665	2,933

Directors' remuneration:

	2015			2014		
	Fees $'000	Share based payment $'000	Total $'000	Fees $'000	Share based payment $'000	Total $'000
PH Edmonds	106	–	106	333	–	333
AS Groves	358	–	358	499	–	499
AR Burns	185	–	185	249	–	249
JDS Sanford	–	–	–	39	–	39
PCCH Snyders	–	–	–	8	–	8
A Sampil	120	–	120	120	–	120
J Cochrane	148	–	148	39	23	62
	917	–	917	1,287	23	1,310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

7. OTHER GAINS AND LOSSES

	2015 $'000	2014 $'000
Foreign exchange (loss)/gain	(465)	422
Aircraft charter revenue	537	–
Loss on disposal of fixed assets	(3)	(41)
Historic accruals and provisions written off	1,227	–
	1,296	381

The historic accruals and provisions written off this year relate to potential costs the Group thought may be payable following the purchase of Liberation Mining in 2011. These costs never materialised and it was decided these provisions and accruals were therefore no longer necessary.

8. FINANCE INCOME AND COSTS

	2015 $'000	2014 $'000
Finance income:		
– Interest income on short-term bank deposits	58	97
Net finance income/(cost)	58	97

9. INCOME TAX EXPENSE

	2015 $'000	2014 $'000
Loss before tax:	(11,237)	(39,619)
Expected tax at the weighted average tax rate 18.20% (2014:23.55%)	(2,045)	(9,330)
Tax effect of expenses that are not deductible in determining taxable profit	9	21
Tax effect of losses not allowable	668	974
Tax effect of losses not recognised in overseas subsidiaries	1,368	8,335
Tax charge 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 unrecognised taxable losses on continuing operations of $28,600,000 (2014: $26,541,000).

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.

10. DISCONTINUED ACTIVITIES

The discontinued operation 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. Foreign exchange movements relating to the bio-ethanol related assets resulted in a gain of $420,000 during the year. However, this has been offset against the loss for the year of $431,000 generated by Delta Mining Consolidated (see below) to give a net loss for discontinued activities of $11,000.

The asset held for sale that is listed as a single line item under discontinued operations in 2015 represents the Group's share in the loss of Delta Mining Consolidated Limited that is now in the process of being sold. More information about the results of this disposal asset are given in note 14.

The results for the discontinued operations are as follows:

	2015 $'000	2014 $'000
Operating expenditure	(11)	(10,194)
Operating loss	(11)	(10,194)
Loss before taxation	(11)	(10,194)
Taxation	–	–
Loss after taxation	(11)	(10,194)

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

There were cash outflows of $98,000 from discontinued operations relating to DMC included in the consolidated statement of cash flows (2014: $572,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

11. LOSS PER SHARE

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

	2015 $'000	2014 $'000
Loss for the purposes of basic earnings per share (loss for the year attributable to equity holders of the parent)	(10,339)	(47,827)
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)	(10,329)	(38,039)
(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)	(10)	(9,788)

Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	1,108,627,584	1,001,038,132
Total number of shares in issue at the year end	1,108,627,584	1,108,627,584
Basic and diluted loss per share	(0.9 cents)	(4.8 cents)
Basic and diluted loss per share on continuing activities	(0.9 cents)	(3.8 cents)
Basic and diluted loss per share on discontinued activities	(0.0 cents)	(1.0 cents)

No dilution arises as a result of the loss for the year (2014: nil).

12. INTANGIBLE ASSETS

	Evaluation and exploration costs $'000	Computer software $'000	Total $'000
At 1 April 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 (b)	(12,121)	–	(12,121)
Amortisation	–	(2)	(2)
At 31 March 2014	28,609	–	28,609
Additions	8,237	–	8,237
Exchange differences	(425)	–	(425)
Impairment of exploration costs (a)	(6,511)	–	(6,511)
At 31 March 2015	29,910	–	29,910

All of the capitalised evaluation and exploration costs included within Intangible assets relate to the Nimba project in Guinea.

12. INTANGIBLE ASSETS continued

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

	2015 $'000	2014 $'000
Southern Cross Investments Limited (Timbo)	3,750	–
Salmec Resources Ltd (Kpo)	1,709	–
Guinea Development Mineral Resources SA (Kissidougou)	964	–
Guinea Metaux De Base SA (Kakoulima)	50	–
Liberation Mining (Pvt) Limited (Lubimbi)	6	5,368
Apex Petroleum Company (Pvt) Limited (Lusulu)	3	3,244
Monaf Investments (Pvt) Ltd	29	19,174
	6,511	27,786
Delta Mining Consolidated Limited (Rietkuil)	–	9,672
Total Impairment	6,511	37,458

(b) Reallocation to disposal group

	2015 $'000	2014 $'000
Rietkuil project	–	25,000
Exchange differences	–	(3,207)
Restated balance at start of year	–	21,793
	–	–
Impairments	–	(9,672)
Total (See Note 14)	–	12,121

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. The Group has recently commissioned consultants to assess the potential of the coal assets to be used to generate electricity and to date the initial findings have been positive.

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 entered into an agreement to sell its 63.5% shareholding in Delta Mining Consolidated (DMC) 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. In 2014 the Group had impaired the value of the exploration assets in the Rietkuil Coal Project held by DMC by $9.7m to $10.8m 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. The exploration assets relating to DMC are included as part of the asset held for sale balance (see Note 14) and are therefore held separately to the Intangibles balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

Southern Cross Investments Limited

The Group has decided to take a conservative view and write off the investment and exploration costs incurred in respect of the Timbo project in Liberia in recognition of the disappointing drilling results obtained from this project.

Kakoulima Base Metals SARL

The drill program conducted by Kakoulima Base Metals SARL in Guinea to date has not resulted in identifying the possibility of an economically viable resource. Consequently, the subsidiary has no definite plans to continue drilling and the Group has taken the decision to impair all costs capitalised in relation to this concession.

Guinea Development Mineral Resources SA

Due to the continuing uncertainty regarding the timing of development of the Trans-Guinean rail link, the Group decided not to forcefully pursue a renewal of the Group's Kissidougou licence in Guinea, and has therefore written off the Group's investment in this project. The re-establishment of the rail link, which now appears unlikely within the short term, would have been necessary to enable economic development of this project by the Group and as such the Group has determined that it is not commercially or economically viable to continue expenditure on this project.

13. 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 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)
1 April 2014	218	–	195	1,848	1,541	1,878	410	6,090
Additions	–	–	–	11	–	234	19	264
Assets written off	–	–	–	–	–	–	–	-
Disposals	–	–	–	–	–	(6)	(2)	(8)
Exchange differences				612	(100)	(165)	41	388
31 March 2015	218	–	195	2,471	1,441	1,941	468	6,734
Accumulated Depreciation								
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)
Exchange differences	–	–	–	(1,240)	–	–	(77)	(1,317)
Assets written off	–	–	–	–	–	–	–	-
1 April 2014	7	–	14	145	281	1,033	338	1,818
Charge for the year	1	–	3	632	113	291	37	1,077
Disposals	–	–	–	–	–	(2)	–	(2)
Assets written off	–	–	–	–	–	–	–	-
Exchange differences	–	–	–	456	(68)	(13)	48	423
31 March 2015	8	–	17	1,233	326	1,309	423	3,316
Net Book Value								
31 March 2015	210	–	178	1,238	1,115	632	45	3,418
31 March 2014	211	–	181	1,703	1,260	845	72	4,272
31 March 2013	213	3,750	185	2,178	1,721	1,253	173	9,473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. ASSETS HELD FOR SALE

Assets of disposal group classified as held for sale

	2015 $'000	2014 $'000
Property, plant and equipment	–	1
Intangible Assets (see Note 12)	10,818	12,121
Financial Asset Investment (see a)	1,129	1,148
Other current assets	501	401
Total	12,448	13,671

Liabilities of disposal group classified as held for sale

	2015 $'000	2014 $'000
Short term loans	(3,784)	(4,162)
Long term loans	(7,410)	(7,808)
Other current liabilities	(185)	(201)
Total	(11,379)	(12,171)
Net Assets of disposal group classified as held for sale	1,069	1,500

The Company entered into an agreement to sell its 63.5% shareholding in Delta Mining Consolidated Limited (DMC) on 29 May 2014. Before completion could occur various consents had to be obtained from the South African Ministry of Mines and Reserve Bank. These consents were obtained in August 2015 and the sale went ahead for a cash consideration of $1.281m. Consequently DMC has continued to be classified 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 fair value less costs to sell. This means that whilst DMC is held in our books at $1.069m, as stated above, the Company actually received a cash consideration of $1.281m when the deal completed.

The Group has a contingent asset of $18.5m (2014: $18.5m) 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 financial asset investment represents Glacier Financial Solutions (Proprietary) Limited investment. This has not been sold but is held under Delta Mining Consolidated Limited and as such was reclassified into the DMC asset held for sale disposal group. The investment decreased in value by $19,000 (2014: $11,000 increase) over the year. The decrease in value of the investment represents a decrease in the market value of a third party administered portfolio.

14. ASSETS HELD FOR SALE continued

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

	2015 $'000	2014 $'000
DMC		
Impairments (see Note 12)	–	(9,672)
Other operating expenses	(651)	(1,222)
Loss before tax	(651)	(10,894)
Tax	220	748
Loss after tax	(431)	(10,146)
Procana		
Foreign exchange translation	420	(48)
(Loss) for the year from asset held for sale	(11)	(10,194)

15. FINANCIAL ASSETS

	Loans and receivables $'000	Total $'000
31 March 2015		
Current assets		
Other receivables	1,021	1,021
Cash and cash equivalents	6,249	6,249
Total financial assets at 31 March 2015	7,270	7,270
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

Receivables over one year old but not impaired amounted to $431,000 at 31 March 2015 (2014: $242,000). Other receivables have been impaired by $70,000 at 31 March 2015 (2014: $Nil).

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

16. FINANCIAL LIABILITIES

	2015 $'000	2014 $'000
Current liabilities		
Other payables	212	1,405
Accruals and deferred income	1,428	1,361
Liabilities associated with asset held for sale	11,379	12,171
Trade and other payables	13,019	14,937
Total liabilities	13,019	14,937

Of the above liabilities approximately $504,000 (2014: $581,000) are payable within 3 months. Other payables and accruals principally comprise amounts outstanding for on-going exploration costs. All of these liabilities are held at amortised cost.

The Directors consider that the carrying amount of financial liabilities approximates their fair value. The average credit period taken for purchases is 91 days (2014: 51 days).

17. DEFERRED TAX LIABILITY

	2015 $'000	2014 $'000
At 1 April	(220)	(1,110)
Unwinding of deferred tax liability	220	748
Exchange differences	–	142
At 31 March	–	(220)

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 $28,600,000 (2014: $26,441,000) that can be carried forward against future taxable income due to uncertainty of timing of future profits to cover the losses.

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 14.

18. SHARE CAPITAL

	Ordinary shares of no par value Authorised, allotted and fully paid	
	Number	**$'000**
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 and 31 March 2015	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.

19. SHARE BASED PAYMENTS

Share Options

At 31 March 2015, 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 30 September 2016
1 October 2010	500,000	20p	1 October 2012 to 30 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		

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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 2015, the following options over ordinary shares of the Company had been granted and not yet exercised:

Date of grant	2015 Number of Options	Weighted average exercise price	2014 Number of Options	Weighted average exercise price
Outstanding at 1 April	6,350,000	17.6p	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	6,350,000	17.6p
Exercisable at 31 March	6,350,000	17.6p	6,350,000	17.6p

At 31 March 2015 the weighted average remaining contractual life of the options outstanding was 2.1 years (2014: 3.6 years).

At 31 March 2015 the total share options charge to the statement of comprehensive income was $98,000 (2014: $32,000).

Warrants

At 31 March 2015, the following warrants are in issue and have vested:

Date of grant	Number of shares	Exercise price	Exercise period
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
	33,000.000		

19. SHARE BASED PAYMENTS continued

Equity settled warrants

As at 31 March 2015, the following warrants have been issued and remain unexercised:

Date of grant	2015 Number of Options	Weighted average exercise price	2014 Number of Options	Weighted average exercise price
Outstanding at 1 April	42,000,000	4.8p	35,450,000	5.4p
Granted during the period	–	–	7,000,000	2p
Exercised during the period	–	–	(450,000)	2p
Lapsed during the period	(9,000,000)	15.2p	–	–
Outstanding at 31 March	33,000,000	2p	42,000,000	4.8p
Exercisable at 31 March	33,000,000	2p	42,000,000	4.8p

Warrants not issued

Ely Place Nominees Limited holds an additional 2,000,000 (2014: 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 (2014: 18,000,000) 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 (2014: 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 2015 the total warrant charge to the statement of comprehensive income was $nil (2014: $957,000).

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
	01 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 01 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 5 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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20. SUBSIDIARIES

As at 31 March 2015, 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.

* These companies are held indirectly by Sable Mining Africa Ltd.

21. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. INVESTMENT IN ASSOCIATES

	$'000
At 1 April 2013	–
Share of loss for the year	–
At 1 April 2014	–
Share of loss for the year	–
At 31 March 2015	–

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 2015 was $2,700 (2014: $8,800 loss). The Directors have not recognised the profit of AMS due to it being immaterial to these accounts. The Group's share of the cumulative unrecognised loss of the associate is $165,500 (2014: $162,000).

23. OPERATING LEASE ARRANGEMENTS

The Group as a lessee:

Non-cancellable operating lease rentals are payable as follows:

	2015 $'000	2014 $'000
Less than one year	–	23
Between one and five years	–	–
	–	23

Zimbabwe office:

- 1 year lease signed on 01/08/2009. Renewable annually.
- Escalation charge of 10% per annum.
- Monthly charge of $5,856
- Expired 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.

24. RELATED PARTY DISCLOSURES

1) Former Director PH Edmonds (resigned 07 October 2014) and current Director AS Groves are (or were during part of the period) directors of and/or shareholders in African Management Services Limited ("AMS" – an associate of the Company due to its 20% shareholding, as disclosed in Note 22), Agriterra Limited ("Agriterra") and African Potash Limited ("African Potash").

   During the year, AMS provided accounting and treasury services to the Group for a management fee of $629,000 (2014: $727,000). As at 31 March 2015, $89,000 has been paid in advance for April 2015 and May 2015 management fees and is included in Other Receivables (2014: $43,000). As at 31 March 2015 an amount of $275,000 was owed by AMS (2014: $270,000) and is included in Other Receivables.

   During the year, the Group incurred certain expenditures of $34,000 (2014: $124,000) which were settled by Agriterra. As at 31 March 2015, the Group had $nil due to Agriterra (2014: $nil).

   During the year, the Group settled expenses which were incurred by African Potash of $65,000 (2014: $2,000). As at 31 March 2015, $65,000 was owing to the Group (2014: $nil).

   As at 31 March 2015, $nil (2014: $17,000) was owed by the Directors to the Company in the form of short term loans.

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$1,125,000 (2014: $5,000,000) to Faniya for services provided by Faniya in relation to the Nimba project. Since the year end a further US$300,000 has been paid by the Company to Faniya. As at 31 March 2015 the balance owing to Faniya was $nil (2014:$nil). All of these costs were capitalised within Evaluation and Exploration assets. Faniya Ressources SAU were also reimbursed $297,000 for costs incurred on behalf of the Company during the year.

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 6.

	2015	**2014**
	$'000	$'000
Short-term employee benefits	917	1,287

25. POST BALANCE SHEET EVENTS

In August 2015 the Company's 60% shareholding in Salmec Resources Limited and 63.5% shareholding in Delta Mining Corporation Limited were sold for cash considerations, after legal costs, of $694,000 and $1,294,000 respectively.

26. Controlling party

There is no ultimate controlling party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. NON-CONTROLLING INTERESTS

As at 31 March 2015, the share of the current and retained losses of non-controlling interests is as follows:

Subsidiary	Proportion held	Share of Loss $'000	Share of Retained Losses $'000
Procana Limitada	94%	Nil	Nil
Tanaka Investments Limited	100%	Nil	Nil
Someden Investments (Pvt) Limited	100%	Nil	Nil
Monaf Investments (Pvt) Limited	80%	17	Nil
Postwall Properties (Pvt) Limited	99%	Nil	Nil
Liberation Mining (Pvt) Limited	75%	(178)	819
African Iron Ore Investments Limited	100%	Nil	Nil
Southern Cross Investments Limited	100%	Nil	Nil
Liberian Iron Ore Investments Limited	100%	Nil	Nil
Salmec Resources Limited	60%	713	Nil
Guinea Development Mineral Resources SA	100%	Nil	Nil
Guinea Metaux De Base SA	80%	Nil	Nil
West Africa Exploration SAU	80%	113	Nil
Kakoulima Base Metals SARL	100%	Nil	Nil
West Africa Exploration Logistics	100%	Nil	Nil
Red Rock Mining Limited	80%	3	Nil
Delta Mining Consolidated Limited	63.5%	238	Nil
Apex Petroleum Company (Pvt) Limited	95%	3	Nil
Sable Aircraft Company (Pty) Limited	100%	Nil	Nil
Total		909	819

DIRECTORS AND ADVISERS

DIRECTORS

Jim Cochrane	Non-Executive Chairman
Andrew Groves	Chief Executive Officer
Andrew Burns	Chief Finance Officer
Aboubacar Sampil	Non-Executive Director

SECRETARY

Philip Enoch MA (Oxon)

ASSISTANT SECRETARY

Codan Managements (B.V.I.) Limited

REGISTERED OFFICE

Commerce House
Wickhams Cay 1
PO Box 3140, Road Town
Tortola, British Virgin Islands VG1 110

NOMINATED ADVISOR

Cantor Fitzgerald Europe
1 Churchill Place, Canary Wharf
London E14 5RB

BROKERS

GMP Securities Europe LLP
5 Stratton Street
London W1J 5LA

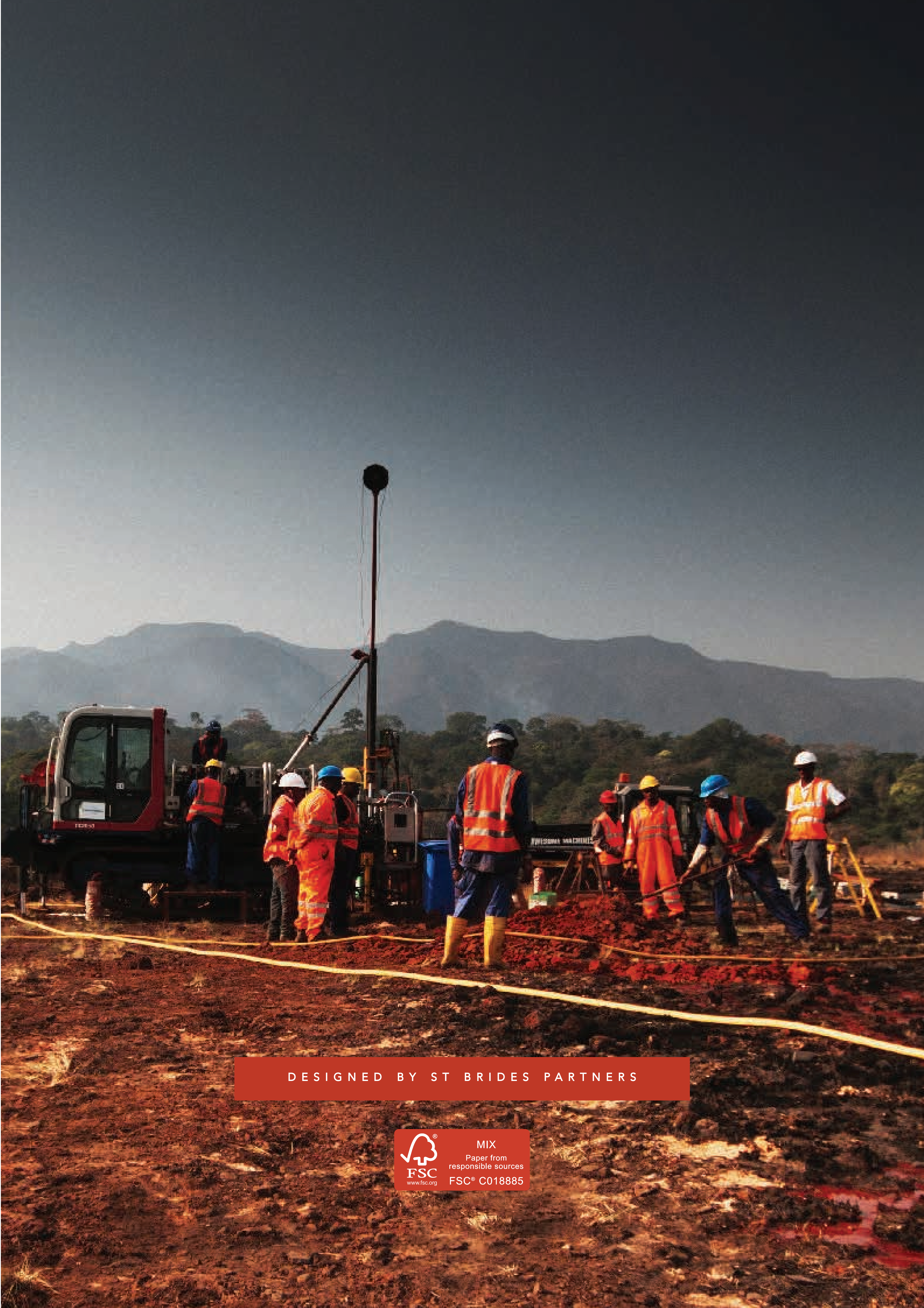
INDEPENDENT AUDITOR

Baker Tilly UK Audit LLP
Registered Auditor
25 Farringdon Street
London EC4A 4AB

SOLICITORS

As to BVI Law

Conyers Dill & Pearman
Commerce House, Wickhams Cay 1
PO Box 3140, Road Town
Tortola, British Virgin Islands VG1 110



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