West African Minerals Corporation

Consolidated Interim Financial Statements

For the six month period ended 30 September 2013

Registration number: 1415559

West African Minerals Corporation

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West African Minerals Corporation

Management and administration

Registered office	Craigmuir Chambers Road Town Tortola British Virgin Islands
Secretary	Denham Eke 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH
Nominated adviser and joint broker	Beaumont Cornish Limited 2nd Floor Bowman House 29 Wilson Street London EC2M 2SJ
Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Registrar	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier, Jersey JE1 1ES
Auditors	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM99 1HN
Legal advisers	Kerman & Co LLP 200 Strand London WC2R 1DJ
Depositary	Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE
Administrator	Burnbrae Limited 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH

West African Minerals Corporation

Operational Highlights

- Drilling at South Djadom confirmed mineralization in five target areas
- Two blocks drilled in detail forming the basis of maiden Mineral Resource Estimates (MRES) announced in October
- Total combined Inferred MREs for Blocks 1 and 2 of 111.5 Mt @ 30.0% Fe at a 25% Fe cut-off grade (including 15.6 Mt @ 40.7% at a 35% Fe cut-off grade)
- South Djadom lease emerging as a possible satellite ore body to the adjacent Mbarga deposit
- Binga project maiden MRE expected in early January 2014
- Potential of large untested geophysical anomalies on the North Djadom and Lélé leases to be tested

Financial Highlights

- Total Assets dropped by 21.2% to £23.4 million (31 March 2013: £29.7 million), largely as a result of impairment recognized in respect of Dja and Minko licence permits
- Cash remains over £3.5 million (31 March 2013: £9.4 million)
- Operational expenses continue to be rigorously controlled at all levels
- Basic and diluted loss per share increased from £0.0056 to £0.0221

Chairman's statement

Dear Shareholders,

A continuation of our systematic exploration in Cameroon during the second half of fiscal 2013 positioned the Company to deliver its first mineral resource estimates at its South Djadom prospect, adjacent to the Mbarga deposit in southeast Cameroon, as announced in October. With the completion of this work, the Company has focused its attention on firming up the continuity and grade of its Binga project, located approximately 60km from the new deep seaport at Kribi. We expect to publish a maiden resource for this prospect in early January 2014.

This work is the culmination of approximately 30,000 metres of reverse circulation and diamond core drilling completed to date. All six of our original concessions have received at least some drill testing and this work has greatly enhanced our understanding of the local geology of each concession and the prospects for large scale iron ore mineralization. The Company's strategy remains to explore for and develop iron ore mineralization in Western Africa presenting significant margins, being either inherently high grade or located in proximity to coastal infrastructure that can dramatically reduce capital and operating costs.

Results to September 2013

During the financial period under review, the Company reported a loss of £6.4 million (30 September 2012: £1.6 million). The increased loss was largely the impairment of deferred mine exploration costs and the impairment of exploration permits and goodwill.

As part of the licence renewal negotiations, the Company agreed to surrender the portion of its licences that related to areas within the national parks so that it could retain the full licence area for its remaining projects. This resulted in the surrender of the Dja and the majority of the Minko licences. In line with the Group's accounting policy for deferred mine exploration costs, the balances in relation to these two licence areas have been fully impaired. The impairment recognised, in respect of Dja and Minko, licence permits and capitalised deferred mine costs of £2.0 million (30 September 2012: £Nil) and exploration permit and goodwill of £3.4 million (30 September 2012: £Nil). In addition, the Company assessed the deferred mine costs relating to areas for which licences were still held for impairment as at 30 September 2013 and considered that the recoverable amount of these assets exceeded the carrying amount and as such, no impairment was recognized. There have been no indications of impairment since the last review and exploration activities to date have continued to be positive. As a result, the Company's Shareholder Equity reduced by 20.9% to £23.4 million (30 September 2012: £29.7 million).

Total costs capitalised to Deferred Mine Exploration costs stood at £9.9 million (31 March 2013: £7.0 million).

Cash stood at £3.5 million at the end of the period (31 March 2012: £9.4 million) and the cash at the end December 2013 is anticipated to be £1.8 million.

Operational expenses for the period, excluding impairment, stood at £1.0 million compared to £1.6 million for the equivalent period in the previous year, a 38% reduction.

The directors have instituted a cost control programme which will result in further future savings.

Total number of shares in issue increased to 289.1 million (31 March 2013: 288.0 million) resulting in an increase in Share Premium to £59.8 million (31 March 2013: £59.6 million). Total shares issued during the period comprised of 0.17 million shares and 0.94 million shares issued pursuant to an exercise of share options and warrants, respectively.

The Company issued share warrants totalling 1 million to certain consultants of the Group.

Phase III Infill Drilling Programmes

Results at South Djadom

The Company's exploration activities during the period focused on the first of the large-scale (25km interpreted strike length) geophysical targets at South Djadom following the gravity gradiometry survey conducted in February 2013 over the Djadom and Lélé concessions. These targets were interpreted as regionally extensive BIF with similar geophysical signatures and potentially geologically continuous to the adjacent Mbarga deposit.

Following the first set of results announced in March 2013 of 42 vertical Reverse Circulation (RC) holes drilled at the northern-most portion of South Djadom confirming the presence of BIF/enriched BIF and hematite-rich oxide cap in 11 drill holes over an area 3km by 2km, further vertical RC drilling extended the strike length of the known mineralisation to approximately 6km of the 25km long gravity and magnetic anomaly. This confirmation of near surface mineralisation provided the basis for an infill grid drilling program of approximately 200 holes starting at the northwest portion of the mineralisation. A second RC drill rig and two diamond drill rigs were deployed to further define geological control of the mineralisation model with the objective of establishing continuity of a maiden resource.

In July, the Company announced that scout drilling in 166 holes additional at South Djadom had identified five separate target blocks with confirmed mineralisation, two of which would be drilled in detail to establish the grade and tonnage for mineral resources. At the same time, approximately 100 infill holes on the Block 1 target had confirmed the consistent presence of an iron-rich stratigraphic sequence over a 3km strike length with widths varying from 50 to 200 metres. At Block 2 a second mineralised stratigraphic sequence was traceable over 2 km.

In early October, the Company delivered the first of two initial inferred mineral resource estimates (MREs) at South Djadom. Block 1 returned an Inferred MRE of 76.1 Mt @ 30.3% Fe at a 25% Fe cut-off grade. This included a higher grade colluvial and eluvial cap and near-surface enriched mineralisation of 12.6 Mt @ 41.6% at a 35% Fe cut-off grade. While a greater degree of enrichment and thickness of enriched mineralisation had been envisaged, the resulting tonnage was highly encouraging indicating that further exploration could unlock considerable additional resources.

Also released in October was a NI-43-101 compliant Inferred MRE for Block 2 of 35.4 Mt @ 29.5% Fe at a 25% Fe cut-off grade, which included a higher grade colluvial and eluvial cap and near-surface enriched mineralisation of 2.6 Mt @ 37.4% Fe at a 35% cut-off grade. The total compliant Inferred MRE for Blocks 1 and 2 combined stands at 111.5 Mt of Inferred Mineral Resource @ 30.0% Fe at a 25% Fe cut-off grade including 15.6 Mt @ 40.7% at a 35% Fe cut-off grade. The mineralised area extends from surface to between 100 and 150 metres below surface and remains open along strike to the southeast on Block 2, while enrichment of the primary BIF extends variably from surface to depths up to 40 metres with the majority of the enriched mineralisation shallower than 20 metres.

As a result of these initial MREs, the Company's South Djadom lease is emerging as a possible satellite ore body to the adjacent Mbarga deposit in this world-class iron district. The requirement for unlocking value for this lease will be the establishment of heavy rail service to this area.

Further work at South Djadom would involve preliminary metallurgical testing to determine if a commercially viable concentrate can be produced from this Inferred Mineral Resource and further definition drilling of additional defined block areas to establish their scale and grade]. The Company is also planning to assess the large untested geophysical anomalies on the North Djadom and Lele leases with surface sampling and mapping in preparation for possible drill testing in 2014.

Binga - Strategic pathway to early cash flow

The Company's Binga license, located approximately 60km east of the Kribi multi-user, deep seaport presents a development option and strategic pathway for the Company to achieve its goal of rapid cash flow generation through short truck haulage and low capital cost access to shipping. Initially, mineralisation was recorded in the western sector of Binga on surface and in road-cuttings from Sinohydro's roadwork connected with the Memve'ele hydroelectric power project being built on the boundary between the Company's Binga and Minko leases. This was followed up in 2012 with over 5,500 metres of widely-spaced scout drilling in 114 holes that successfully confirmed the presence of target mineralization across the property. In August 2013, the Company undertook a successful programme of ground-based geophysics, defining a mineralized "envelope" over three small test blocks on the lease. The strategy of using ground geophysics to accurately direct the ensuing infill drilling programme was first tested on the South Djadom blocks and has proved a highly successful tool saving time and cost on the project. The drilling to test these geophysical anomalies is now completed and we expect to release a maiden MRE on Binga in early January 2014.

Based on our preliminary view of these results, the 2014 work programme is being designed to demonstrate: 1) metallurgical process requirements to produce a saleable concentrate; 2) ground geophysics to control future resource drilling; 3) resource expansion drilling to establish sufficient resource to support a 10+ year project; and 4) feasibility studies on commercial operations that will allow West African Minerals Corporation to be one of the first hard-rock mining operations in Cameroon.

Outlook

As the New Year opens, the Company expects to announce a maiden Mineral Resource Estimate (MRE) for the Binga project. Following completion of the MRE, metallurgical testing is planned along with ground geophysical surveys to further resource blocks at Binga and to improve our understanding of the economic viability, providing that the metallurgy work delivers a positive result and the resource is significantly expanded. A preliminary economic assessment will be completed, followed by a feasibility study. The timetable for completing this work is the end of calendar 2014. Based on the success of the foregoing, and in view of its close proximity to port, the Binga project could represent a clear strategic advantage for the Company. The potential for near-term cash flow would be based on short truck haulage on a newly paved regional road to port, anticipated low cost mining and energy efficient processing, and low capital port and terminal development.

At the large-scale southeast targets identified by geophysics, field verification will be undertaken at North Djadom and Lele, situated between the Mbalam and Nkout deposits. In addition, the Management and Board continue to assess acquisition or merger opportunities for synergy and growth, particularly in the very stable and favourable investment regime in Cameroon. The corollary of the more difficult market for minerals companies generally is that such opportunities can now be secured at advantageous prices. The Company's management maintains its positive outlook for the future demand for iron ore as the global economy continues to show signs of strengthening.

The 2013 calendar year has been challenging for the majority of mining companies and the junior sector in particular with share prices significantly lower than the start of the year and the Company was no exception. Management and the Board maintain a significant position in the Company and are committed to building value for all shareholders in the weeks and months ahead. In conjunction with this, the Directors are considering the possibility of raising approximately US$6 million in early 2014. The proceeds will be used principally to fund the development of the Binga licence zone, depending upon the results of a geophysical survey to be undertaken in the first quarter of 2014, but also to either continue the exploration programme in Cameroon or potentially fund further acquisitions. Certain major shareholders have indicated to the Directors that they will be willing to subscribe to a fund raising should this be approved by the Board.

Jim Mellon
Non-Executive Chairman
27 December 2013

Directors' report

The Directors present their interim report and the interim financial statements for West African Minerals Corporation ("WAFM" or the "Company") for the six month period ended 30 September 2013.

Principal activity

The Company seeks investment opportunities across all types of natural resources projects. This investing policy permits the review and consideration of potential investments in not just metals and metals projects, but also investment in all types of natural resources projects, including but not limited to all metals, minerals and hydrocarbon projects, or physical resource assets on a worldwide basis.

Results and transfers to reserves

The results and transfers to reserves for the period are set out on pages 9 to 12.

The Group made a total comprehensive loss for the period after taxation of £6,438,789 (six month period ended 30 September 2012: £1,608,006).

Dividend

The Directors do not propose the payment of a dividend for the period (2012: £nil).

Directors

The Directors who served during the period and to date are:

	Appointed	**Resigned**
Stephen Dattels		17 July 2013
James Mellon *		
Denham Eke		
Bradford Mills		
Anton Mauve		
Gualtiero Giori *		30 April 2013
Gerard Holden *		

* *non-executive*

By order of the Board

Denham Eke
Secretary

Craigmuir Chambers
Road Town
Tortola
British Virgin Islands

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards, as adopted by the EU.

The financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and to allow for the preparation of financial statements. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

West African Minerals Corporation

Report of the Independent Auditors', KPMG Audit LLC, on Review of Interim Financial Information to the members of West African Minerals Corporation

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of West African Minerals Corporation as at 30 September 2013, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2013 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Audit LLC

27 December 2013

KPMG Audit LLC
Chartered Accountants
41 Athol Street
Douglas
Isle of Man
IM99 1HN

West African Minerals Corporation

Unaudited consolidated statement of comprehensive income

for the six month period ended 30 September 2013

	Notes	Period ended 30 September 2013 (Unaudited) £	Period ended 30 September 2012 (Unaudited) £	Year ended 31 March 2013 (Audited) £
Income		-	-	-
Expenses				
Directors' fees	17	**(256,628)**	(307,506)	(633,672)
Salaries and wages		**(105,274)**	(38,146)	(142,135)
Consultants' fees		**(32,869)**	(6,798)	(19,819)
Other professional fees		**(211,076)**	(481,500)	(801,961)
Administration expenses		**(254,638)**	(286,830)	(600,232)
Share option and warrants	15	**(56,642)**	(420,709)	(876,620)
Other costs		**(55,458)**	(22,758)	(41,612)
Unrealised exchange gains/(losses)		**3,045**	5,227	(9,495)
Impairment of deferred mine exploration costs	6	**(2,026,378)**	-	-
Impairment of exploration permits	11	**(3,142,327)**	-	-
Impairment of goodwill	9	**(214,569)**	-	-
Loss before finance (expense)/income	4	**(6,352,814)**	(1,559,020)	(3,125,546)
Finance (expense)/income		**(5,945)**	4,477	61,352
Loss before income tax		**(6,358,759)**	(1,554,543)	(3,064,194)
Taxation	5	-	-	-
Loss after income tax		**(6,358,759)**	(1,554,543)	(3,064,194)
Other comprehensive (loss)/income - foreign currency translation reserve		**(80,030)**	(54,574)	319,294
Total comprehensive loss for the period/year		**(6,438,789)**	(1,609,117)	(2,744,900)
Loss attributable to:				
Owners of the Company		**(6,358,759)**	(1,553,432)	(3,063,083)
Non-controlling interest		-	(1,111)	(1,111)
		(6,358,759)	(1,554,543)	(3,064,194)
Total comprehensive loss attributable to:				
Owners of the Company		**(6,438,789)**	(1,608,006)	(2,743,789)
Non-controlling interest		-	(1,111)	(1,111)
		(6,438,789)	(1,609,117)	(2,744,900)
Basic and diluted loss per share	19	**(0.0221)**	(0.0056)	(0.0108)

The notes on pages 13 to 22 form part of these condensed consolidated interim financial statements.

The Directors consider that all results derive from continuing activities.

Unaudited consolidated statement of financial position

as at 30 September 2013

	Notes	At 30 September 2013 (Unaudited) £	At 31 Mach 2013 (Audited) £
Assets			
Property, plant and equipment	7	**496,404**	458,476
Deferred mine exploration costs	6	**9,940,945**	7,040,510
Exploration permits	11	**8,655,866**	11,798,193
Goodwill	9	**643,706**	858,275
Total non-current assets		**19,736,921**	20,155,454
Current assets			
Cash and cash equivalents		**3,510,843**	9,437,392
Trade and other receivables	13	**180,371**	155,335
Total current assets		**3,691,214**	9,592,727
Total assets		**23,428,135**	29,748,181
Equity			
Share premium	8	**59,818,956**	59,626,661
Share options reserves	15	**897,470**	864,159
Share warrants reserves	15	**542,878**	576,249
Foreign currency translation reserve		**176,569**	256,599
Retained deficit		**(38,054,902)**	(31,696,143)
Shareholders' equity		**23,380,971**	29,627,525
Non-controlling interest		**-**	-
Total equity		**23,380,971**	29,627,525
Current Liabilities			
Trade and other payables	14	**47,164**	120,656
Total liabilities		**47,164**	120,656
Total equity and liabilities		**23,428,135**	29,748,181

The notes on pages 13 to 22 form part of these condensed consolidated interim financial statements.

These financial statements were approved by the board of directors on 27 December 2013 and were signed on their behalf by:

Denham Eke
Director

Unaudited consolidated statement of changes in equity

for the six month period ended 30 September 2013

	Notes	Share premium £	Share options reserve £	Share warrants reserve £	Foreign currency translation reserves £	Retained deficit £	Total shareholders' Equity £	Non –controlling interest £	Total £
Balance at 1 April 2013 (audited)		**59,626,661**	**864,159**	**576,249**	**256,599**	**(31,696,143)**	**29,627,525**	-	**29,627,525**
Total comprehensive loss for the period									
Loss for the period		-	-	-	-	(6,358,759)	(6,358,759)	-	(6,358,759)
Other comprehensive loss for the period		-	-	-	(80,030)	-	(80,030)	-	(80,030)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Exercise of options and warrants	*8, 15*	192,295	(13,783)	(42,919)	-	-	135,593	-	135,593
Options and warrants reserve charge	*15*	-	47,094	9,548	-	-	56,642	-	56,642
Balance at 30 September 2013 (unaudited)		**59,818,956**	**897,470**	**542,878**	**176,569**	**(38,054,902)**	**23,380,971**	-	**23,380,971**
Balance at 1 April 2012 (audited)		**43,838,819**	**29,546**	**534,242**	**(62,695)**	**(18,517,934)**	**25,821,978**	**14,735**	**25,836,713**
Total comprehensive loss for the period									
Loss for the period		-	-	-	-	(1,553,432)	(1,553,432)	(1,111)	(1,554,543)
Other comprehensive loss for the period		-	-	-	(54,574)	-	(54,574)	-	(54,574)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares issued for cash subscription	*8*	5,613,578	-	-	-	-	5,613,578	-	5,613,578
Exercise of options	*8, 15*	32,507	-	-	-	-	32,507	-	32,507
Shares issued in settlement of subsidiary acquisitions	*8*	10,128,750	-	-	-	-	10,128,750	-	10,128,750
Options and warrants reserve charge	*15*	-	399,705	21,004	-	-	420,709	-	420,709
Changes in ownership interests in subsidiaries									
Non-controlling interest on acquisition		-	-	-	-	(10,115,126)	(10,115,126)	(13,624)	(10,128,750)
Balance at 30 September 2012 (unaudited)		**59,613,654**	**429,251**	**555,246**	**(117,269)**	**(30,186,492)**	**30,294,390**	-	**30,294,390**

The notes on pages 13 to 22 form part of these condensed consolidated interim financial statements.

West African Minerals Corporation

Unaudited consolidated statement of cash flows

for the six month period ended 30 September 2013

	Notes	**Period ended 30 September 2013 (Unaudited)**	Period ended 30 September 2012 (Unaudited)	Year ended 31 March 2013 (Audited)
		£	£	£
Cash flows from operating activities				
Loss before income tax		**(6,358,759)**	(1,554,543)	(3,064,194)
Adjusted for non-cash and non-operating items:				
Depreciation	*7*	**31,963**	10,351	16,083
Share options and warrants charge		**56,642**	420,709	876,620
Loss on sale of property, plant and equipment		**16,230**	-	-
Impairment of deferred mine exploration costs	*6*	**2,026,378**	-	-
Impairment of exploration permits	*11*	**3,142,327**	-	-
Impairment of goodwill	*9*	**214,569**	-	-
Finance expense/(income)		**5,945**	(4,477)	(61,352)
		(864,705)	(1,127,960)	(2,232,843)
Change in trade and other receivables		**(25,036)**	21,009	116,938
Change in trade and other payables		**(73,492)**	(220,424)	(399,576)
Net cash used in operating activities		**(963,233)**	(1,327,375)	(2,515,481)
Cash flows from investing activities				
Purchase of property, plant and equipment	*7*	**(156,250)**	(165,142)	(277,626)
Proceeds from sale of property, plant and equipment		**29,735**	-	-
Amount paid for capitalised deferred mine exploration cost	*6*	**(4,886,419)**	(1,805,068)	(4,449,101)
Net cash used in investing activities		**(5,012,934)**	(1,970,210)	(4,726,727)
Cash flows from financing activities				
Interest (paid)/received		**(5,945)**	4,477	61,352
Cash proceeds from issue of shares	*8*	**-**	5,613,578	5,613,578
Exercise of share options and warrants	*8*	**135,593**	32,507	45,514
Net cash generated from financing activities		**129,648**	5,650,562	5,720,444
Effect of foreign exchange movement on cash		**(80,030)**	(54,574)	319,294
(Decrease)/increase in cash and cash equivalents		**(5,926,549)**	2,298,403	(1,202,470)
Cash and cash equivalents at beginning of period/year		**9,437,392**	10,639,862	10,639,862
Cash and cash equivalents at end of period/year		**3,510,843**	12,938,265	9,437,392
Significant non-cash transactions				
Shares issued in settlement of acquisition of non-controlling interest in CMC Guernsey/ CMC Cameroon		-	10,128,750	10,128,750

The notes on pages 13 to 22 form part of these condensed consolidated interim financial statements.

Notes

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

1 Reporting Entity

West African Minerals Corporation (formerly Emerging Metals Limited) (the "Company" or "WAFM") is a company domiciled in the British Virgin Islands. The Company's strategic objective is to acquire holdings in natural resources companies and/or physical resource assets which the Directors believe are undervalued and where such a transaction has the potential to create value for Shareholders. The Directors intend to take an active role in the management of such investments and estimate that they will be held for periods of up to five years.

2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS34 Interim Financial Reporting and do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 27 December 2013.

(b) Basis of measurement

Functional and Presentation Currency

The condensed consolidated interim financial statements of the Group are presented in Pounds Sterling (£) which is the Company's functional currency. All financial information presented in Pounds Sterling has been rounded to the nearest pound.

Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2013.

Going concern

The condensed consolidated interim financial statements have been prepared on a going concern basis, taking into consideration the level of cash and cash equivalents presently held by the Group, in addition to the assessment of the Directors that the current status and plans for the current projects in Sierra Leone and Cameroon remain viable. The Directors therefore have a reasonable expectation despite the economic uncertainty that the Company will have adequate resources and liquidity management for its continuing existence and projected activities for the foreseeable future, and for these reasons, continue to adopt the going concern basis in preparing the consolidated financial statements for the period ended 30 September 2013.

3 Significant accounting policies

The condensed consolidated interim financial statements of the Company for the period ending 30 September 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

The accounting policies adopted by the Group in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2013. There were no new accounting policies adopted during the period.

The audited consolidated financial statements of the Group as at and for the year ended 31 March 2013 are available at the Group's website: http://westafricanminerals.com/content/investor-centre/annual-interim-filings

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

4 Loss before finance income

Loss before finance income is stated after charging:

Company and Group	**Period ended 30 September 2013**	Period ended 30 September 2012	For the year ended 31 March 2013
	£	£	£
Auditors' Fees	**8,500**	18,630	37,260
Auditors' Fees – non audit services	-	-	-
Directors' Fees (note 17)	**256,628**	307,506	633,672
Depreciation (note 7)	**31,963**	10,351	16,083

5 Taxation

The British Virgin Islands under the International Business Companies Act 2004 imposes no corporate taxes or capital gains taxes. However, the Group may be liable for taxes in the jurisdictions where it is operating however, such operations are currently loss making.

The effective corporate tax rate in Cameroon is 38.5% (35% basic and 10% surcharge). The basic rate is reduced to 30% for the first three years a company is listed on the national stock exchange. Losses may be carried over for utilisation for up to four years. The operating subsidiary in Cameroon incurred losses therefore it is not subject to tax liability.

For mining companies in Sierra Leone, the tax rate is 37.5% subject to additional tax on profits agreed between the Minister of Mines and Mineral Resources and the company. However, the deduction for any year of assessment must not be such that the tax payable will be less than 50% of the tax due if the loss is not carried forward. Losses may be carried over indefinitely. The operating subsidiary in Sierra Leone incurred losses therefore it is not subject to tax liability.

Deferred tax assets have not been recognised in respect of the losses incurred due to insufficient evidence of the timing of suitable future profits against which they can be recovered. No deferred tax liability has been recognised as a result of the losses in the period.

6 Deferred mine exploration costs

The schedule below details the current projects of the Group and the related acquisition cost capitalised:

	Cameroon	**Sierra Leone**	**Total**
	£	**£**	**£**
Deferred mine exploration costs at 1 April 2013	5,583,285	1,457,225	7,040,510
Costs capitalised during the period	4,884,016	2,403	4,886,419
Depreciation charges capitalised during the period (note 7)	40,394	-	40,394
Impairment recognised in the period	(2,026,378)	-	(2,026,378)
Balance at 30 September 2013	**8,481,317**	**1,459,628**	**9,940,945**

Deferred mine exploration costs represent intangible assets. Equipment and other assets used in exploratory activities are capitalised in Property, Plant and Equipment. Depreciation charges in respect of these assets are capitalised in deferred mine exploration costs.

The CMC Exploration Permits, held by Compagnie Minière du Cameroun ("CMC Cameroon") originally comprise six permits for the exclusive rights to explore for iron ore and associated minerals in each of the Dja, Djadom, Lélé, Binga, Minko and Sanaga zones in Cameroon. Licence permit for Dja and a large portion of Minko were relinquished during the period. Renewal applications for the remaining licences for two additional years have been submitted and approved in principle, although the Company is still waiting for an official reply.

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

6 Deferred mine exploration costs (continued)

The Sierra Leone Licences comprise five exploration licences (EL.05/11, EL.06/11, EL.07/11, EL.08/11 and EL.09/11) for the exclusive right to explore for all minerals over a total area of approximately 687 square kilometres. Three of the Sierra Leone Licences (EL.05/11, EL.06/11 and EL.07/11) are held by Ingwe Investments Limited and the other two are held by Tanziron Resources Limited (EL.08/11 and EL.09/11). These licences are valid for four years from 17 January 2011.

During the period to 30 September 2013, as part of the licence renewal negotiations the Group agreed to surrender the portion of its licences that related to areas within the national parks so that it could retain the full licence area for its remaining projects. This resulted in the surrender of the Dja and the majority of the Minko licences. In line with the Group's accounting policy for Deferred mine exploration costs the balances in relation to these two licence areas have been fully impaired.

The Company assessed the deferred mine costs, relating to areas for which licences were still held, for impairment as at 30 September 2013 and considered that the recoverable amount of these assets exceeded the carrying amount and as such, no impairment was recognized. There have been no indications of impairment since the last review and exploration activities to date have continued to be positive.

7 Property, plant and equipment

Group	Geological tools & equipment	Furniture & equipment	Leasehold improvements	Transportation equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2013	118,431	118,464	27,347	366,285	630,527
Additions	18,309	19,346	-	118,595	156,250
Disposal	-	-	-	(65,664)	(65,664)
As at 30 September 2013	**136,740**	**137,810**	**27,347**	**419,216**	**721,113**
Depreciation					
At 1 April 2013	31,707	41,452	5,018	93,874	172,051
Charge for the period - expensed	5,992	11,624	1,772	12,575	31,963
Charge for the period - capitalised	5,698	6,084	-	28,612	40,394
Disposal	-	-	-	(19,699)	(19,699)
As at 30 September 2013	**43,397**	**59,160**	**6,790**	**115,362**	**224,709**
Net book value					
As at 30 September 2013	**93,343**	**78,650**	**20,557**	**303,854**	**496,404**
As at 31 March 2013	**86,724**	**77,012**	**22,329**	**272,411**	**458,476**

8 Capital and reserves

Capital Management
The Group manages its capital to maximize the return to the shareholders through the optimization of equity. The capital structure of the Group at 31 March 2013 and 30 September 2013 consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained deficit as disclosed.

The Group manages its capital structure and makes adjustments to it, in light of economic conditions and the strategy approved by shareholders. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and release the Company's share premium account. No changes were made in the objectives, policies or processes during the period.

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

8 Capital and reserves (continued)

Share capital and premium

The Company is authorised to issue an unlimited number of nil par value shares of a single class. The Company may issue fractional shares and a fractional share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares. Shares may be issued in one or more series of shares as the Directors may by resolution determine from time to time.

Each share in the Company confers upon the shareholder:

- the right to one vote at a meeting of the shareholders or on any resolution of shareholders;
- the right to an equal share in any dividend paid by the Company; and
- the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

The Company may by resolution of the Directors redeem, purchase or otherwise acquire all or any of the shares in the Company subject to regulations set out in the Company's Articles of Incorporation.

Authorised

The Company is authorised to issue an unlimited number of nil par value shares of a single class.

	Date	Issue price	Shares	Share capital	Share premium
Issued ordinary shares			Number	£	£
At 1 April 2012			258,949,579	-	43,838,819
CMC Cameroon NCI acquisition (note 10)	21/05/2012	£0.5475	18,500,000	-	10,128,750
Exercise of options (note 15)	08/06/2012	£0.1362	238,667	-	32,507
Private placement	15/06/2012	£0.55	10,206,506	-	5,613,578
Exercise of options (note 15)	04/01/2013	£0.1362	95,500	-	13,007
At 31 March 2013			**287,990,252**	-	**59,626,661**
Exercise of option (note 15)	21/06/2013	£0.25	166,666	-	41,667
Fair value of options exercised *			-	-	13,783
Exercise of warrants (note 15)	17/09/2013	£0.10	939,261	-	93,926
Fair value of warrants exercised *			-	-	42,919
At 30 September 2013			**289,096,179**	-	**59,818,956**

** calculated at the date of issue of the instrument*

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translations of the financial statements of foreign operations for consolidation.

Share options and warrants reserve

These reserves comprise the fair value of options and warrants in issue as at 30 September 2013. A reconciliation and methodology used in determining the fair values are set out in notes 15.

Dividends

No dividends were declared or proposed by the Directors during the period (31 March 2013: £Nil).

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

9 Goodwill

Goodwill has been recognized as a result of acquisition of Ferrum and its subsidiaries. The total balance as at the period end is analysed as follows:

	Cameroon	Sierra Leone	Total
	£	£	£
Acquisition of Ferrum	643,706	214,569	**858,275**
Impairment of exploration permits	(214,569)	-	**(214,569)**
Balance at 30 September 2013	**429,137**	**214,569**	**643,706**

During the period to 30 September 2013, as part of the licence renewal negotiations the Group agreed to surrender the portion of its licences that related to areas within the national parks so that it could retain the full licence area for its remaining projects. This resulted in the surrender of the Dja and the majority of the Minko licences. In line with the Group's accounting policy for Goodwill, the balances in relation to these two licence areas have been fully impaired. The Company assessed the goodwill attributable to remaining exploration permits for impairment as at 30 September 2013 and considered that the recoverable amount of these intangible assets exceeded the carrying amount and as such, no impairment was recognized. There have been no indication of impairment since the last review and exploration activities to date have continued to be positive.

10 Investment in subsidiary undertakings

As at 30 September 2013, the Group had the following subsidiaries:

Name of company	Place of incorporation	Ownership interest	Principal activity
Ferrum Resources Limited (Ferrum) *	BVI	100%	Holding company of CMC, Ferrous Africa, Ferrum Guinee, Ferrous Benin and Ferrum Mauritania
CMC Guernsey Limited (CMC)	Guernsey	100%	Holding company of CMC Cameroon
Compagnie Minière du Cameroun (CMC Cameroon)	Cameroon	100%	Holds exploration licences in Cameroon
Ferrous Africa Limited (Ferrous Africa)	BVI	100%	Holding company of Tanziron, Ingwe and Ferrous Benin
Tanziron Resources Limited (Tanziron)	BVI	100%	Holds exploration licences in Sierra Leone
Ingwe Investments Limited (Ingwe)	Guernsey	100%	Holds exploration licences in Sierra Leone
Ferrum Resources Guinee S.A. (Ferrum Guinee)	Guinea	100%	Holds exploration applications in Guinea

* Held directly by WAFM. All other holdings are indirect

These consolidated financial statements include the results of the subsidiaries from the date that control is obtained to 30 September 2013 or the date the control ceases.

11 Exploration permits

The Group recognised the fair value of intangible assets attributable to exploration permits (including those previously unrecognised) as a result of the following business combinations:

	Cameroon	Sierra Leone	Total
	£	£	£
Acquisition of initial interest in Ferrum Resources	6,002,990	2,371,151	8,374,141
Acquisition of initial interest in CMC Guernsey	3,424,052	-	3,424,052
Impairment of exploration permits	(3,142,327)	-	(3,142,327)
Balance at 30 September 2013	**6,284,715**	**2,371,151**	**8,655,866**

During the period to 30 September 2013, as part of the licence renewal negotiations the Group agreed to surrender the portion of its licences that related to areas within the national parks so that it could retain the full licence area for its remaining projects. This resulted in the surrender of the Dja and the majority of the Minko licences. In line with the Group's accounting policy for exploration permits the balances in relation to these two licence areas have been fully impaired. The Company assessed the remaining exploration permits for impairment as at 30 September 2013 and considered that the recoverable amount of these intangible assets exceeded the carrying amount and as such, no impairment was recognized. There have been no indication of impairment since the last review and exploration activities to date have continued to be positive.

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

12 Financial instruments

Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2013.

Financial Instruments classification

Financial instruments comprise cash and trade and other receivables (classified as loans and receivables) and accounts payable and accrued expenses (classified as other financial liabilities). The carrying amounts of these financial instruments reported in the statement of financial position approximate their fair values due to the short-term nature of these accounts.

13 Trade and other receivables

	30 September 2013	31 March 2013
	£	£
Trade receivables	-	1,945
Prepayments	86,534	66,448
Other debtors	93,837	86,942
	180,371	155,335

14 Trade and other payables

	30 September 2013	31 March 2013
	£	£
Trade payables	32,000	48,465
Accrued expenses	8,431	43,694
Other creditors	6,733	28,497
	47,164	120,656

15 Share options and warrants

Share warrants

The total number of share warrants in issue as at the period end is set out below.

Recipient	Grant Date	Term in years	Exercise Price	01 April 2013	Issued	Exercised	30 September 2013	Fair value of warrants in issue at period end £	Expensed during the period £
Ferrum warrants holders **1, 3**	09/01/12	5	24.40p	11,456,000	-	-	11,456,000	382,637	-
Advisors **2, 3**	09/01/12	5	10.00p	1,878,523	-	-	1,878,523	85,838	-
Advisors **2, 3**	09/01/12	2	10.00p	1,439,261	-	(939,261)	500,000	22,847	-
Consultants **4**	02/04/12	5	25.00p	1,400,000	-	-	1,400,000	51,556	9,548
Investors	29/05/13	5	45.00p	-	1,000,000	-	1,000,000	-	-
				16,173,784	**1,000,000**	**(939,261)**	**16,234,523**	**542,878**	**9,548**

Notes

1. *Issued as part of consideration paid by the Company to non-controlling shareholders of Ferrum Resources Limited in accordance with the terms of sale of Ferrum shares not yet owned by WAFM). These effectively replace the existing 8 million options issued to Ferrum non-controlling shareholders valued at and fully expensed prior to acquisition of £80,000 at the time of acquisition/issue.*
2. *In accordance with the terms of engagements, these warrants were granted to Company's advisors following successful completion of the company's admission to AIM.*
3. *Ferrum warrants and warrants issued to Advisors on 09/01/12 vested immediately and as such the fair value in relation to these has been fully recognised. These warrants can be used anytime during the exercise period.*
4. *These warrants are subject to 3 years equal annual instalments vesting period*

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

15 Share options and warrants (continued)

Share warrants (continued)

The Company has utilised the Black Scholes Model for the purposes of estimating the fair value of the share warrants upon issue. The following table lists the inputs to the models used for warrants issued during the current and prior years.

	29 May 2013	02 April 2012	9 January 2012
Dividend yield (%)		-	-
Expected volatility (%) 1	30%	40%	90%
Risk-free interest rate (%)2	0.6%	0.7%	1.5%
Share price at grant date	39.0 pence	21.6 pence	11.5 pence
Share price (market value)	39.0 pence	21.6 pence	11.5 pence
Exercise price	45.0 pence	25.00 pence	24.0/10.0 pence
Expected exercise period	3 years	3 years	1 year

Notes

1. *Annualised standard deviation of continuously compounded rates of return based on Company's historic share prices*
2. *Rate on 2 year Guilt Strips*

Share options

The total number of share options in issue as at the period end is set out below.

Recipient	Grant Date	Term in years	Exercise Price	01 April 2013	Issued	Lapsed	Exercised	30 September 2013	Expensed during the period £	Fair value £
Directors	26/03/12	10	25.00p	5,300,000	-	(2,700,000)	-	2,600,000	(65,162)	411,498
Directors	24/04/12	10	25.00p	5,200,000	-	(333,334)	(166,666)	4,700,000	63,017	402,473
Consultant	01/05/12	10	40.13p	400,000	-	-	-	400,000	8,647	52,000
Consultant & employees	15/06/12	10	55.00p	600,000	-	(200,000)	-	400,000	20,721	99,480
Consultant	20/08/12	10	55.00p	100,000	-	(100,000)	-	-	-	-
Consultant & employees	01/11/12	10	65.00p	290,934	-	-	-	290,934	19,871	59,438
				11,890,934	**-**	**(3,333,334)**	**(166,666)**	**8,390,934**	**47,094**	**1,024,889**

The Company has utilised the Black Scholes Model for the purposes of estimating fair value of the share options upon issue. The following table lists the inputs to the models used for options in issue as at the period end.

	01 November 2012	15 June 2012	1 May 2012	24 April 2012	26 March 2012
Dividend yield (%)	-	-	-	-	-
Expected volatility (%)1	40%	40%	40%	40%	90%
Risk-free interest rate (%)2	0.63%	0.63%	0.96%	0.95%	1.5%
Share price at grant date	64.75 pence	53.50 pence	40.12 pence	25.25 pence	24.78 pence
Share price (market value)	64.75 pence	53.50 pence	40.12 pence	25.25 pence	24.78 pence
Exercise price	65.50 pence	55.00 Pence	40.13 pence	25.00 pence	25.00 pence
Expected exercise period	4 years	4 years	4 years	4 years	4 years

Notes

1. *Annualised standard deviation of continuously compounded rates of return based on Company's historic share prices*
2. *Rate on 2 year Guilt Strips*

Share Option Scheme

In accordance with, and subject to the terms of the Company's Share Option Scheme, options issued during the year shall vest in equal instalments annually over a period of three years from the date of grant. Vested options are exercisable at the Exercise Price and may not be exercised later than the tenth anniversary of the Date of Grant.

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

15 Share options and warrants (continued)

Share options (continued)

Share Option Scheme (continued)

The Directors shall have an absolute discretion as to the selection of persons to whom an Option is granted by the Company. An option shall not be granted to any person unless he is a person/company who has provided or is providing services to the Group as a consultant or otherwise ("Approved Grantee") or an employee or any person nominated by such Approved Grantee or employee. The exercise price shall be determined by the Directors and shall be the market value of a Share on the date of the grant of the option to the option holder or shall be such greater or lesser price as the Directors shall determine in their discretion provided always that in the case of a subscription option, the price shall not be less than the nominal value of a Share.

Exercise of the option may be conditional upon satisfaction of performance-related conditions as shall be determined by the Directors and notified to the option holder on the date of the grant. They are not transferable and may not be exercised when to do so would contravene the provisions of the Company's code governing share dealings by directors and employees. In the event that a director/consultant resigns and ceases to be engaged by the Company in any role, pursuant to the Share Option Scheme rules, he or she may only exercise options which have vested and for a period of no later than six months from resignation.

16 Segment reporting

The Group operates in one industry segment: mineral exploration and development in two African regions, Cameroon and Sierra Leone. The activities of these regions alongside those of the corporate entities within the Group are regularly monitored by management to make decisions about resources and assess its performance and discrete financial information is maintained for each. Below is the analysis of Group's exposures in these segments:

	Cameroon £	Sierra Leone £	Corporate £	Total £
Deferred mine exploration costs	8,481,317	1,459,628	-	9,940,945
Exploration permit	6,284,715	2,371,151	-	8,655,866
Other non-current assets	789,806	350,304	-	1,140,110
Current assets	591,018	751	3,099,445	3,691,214
Total liabilities	(13,436)	(3,380)	(30,348)	(47,164)
Finance expense	-	-	(5,945)	(5,945)
Expenses	(5,464,598)	(197,370)	(690,846)	(6,352,814)
Net loss	(5,464,598)	(197,370)	(696,791)	(6,358,759)
Other comprehensive loss	(83,905)	3,875	-	(80,030)

17 Related party transactions

All related party transactions occurred on an arm's length basis and in the normal course of operations.

Key management personnel

As discussed in note 15, the Board of Directors may issue share options or warrants to persons/company who provide services to the Group. The following table is a reconciliation of warrants and options in issue to key personnel as at 30 September 2013. The value of these warrants/options is commensurate with the value of services provided to the Company.

Name	at 31 March 2013	Granted	Exercised	Lapsed	at 30 September 2013
Denham Eke	1,000,000	-	-	-	1,000,000
Stephen Dattels (resigned 17 July 2013)	2,800,000	-	-	(1,866,667)	933,333
James Mellon	500,000	-	-	-	500,000
Guy Elliot (resigned 11 October 2012)	500,000	-	-	(500,000)	-
Bradford Mills	2,800,000	-	-	-	2,800,000
Anton Mauve	1,400,000	-	-	-	1,400,000
Gualtiero Giori (resigned 30 April 2013)	500,000	-	(166,666)	(333,334)	-
Gerard Holden	500,000	-	-	-	500,000

Notes (continued)

forming part of the condensed consolidated interim financial statements for the period ended 30 September 2013

17 Related party transactions (continued)

Key management personnel (continued)

Directors' interests in the capital of the Company are the following:

	Number of Ordinary Shares	Percentage of Issued Capital
Brad Mills (note 18)	30,925,428	10.70%
Stephen Dattels (resigned 17 July 2013) (note 18)	27,172,906	9.40%
James Mellon (note 18)	18,027,398	6.24%
Denham Eke	1,151,827	0.40%

Directors of the Group received the following remuneration during the period:

	30 September 2013 £	30 September 2012 £
Stephen Dattels (resigned 17 July 2013)	18,539	31,590
Bradford Mills	55,075	55,602
Anton Mauve	79,793	76,297
Denham Eke	41,306	47,377
James Mellon	10,625	12,500
Patrick Weller (resigned 17 April 2012)	-	5,702
Guy Elliot (resigned 11 October 2012)	-	12,500
Gualtiero Giori (resigned 30 April 2013)	1,771	10,965
Gerard Holden	10,625	10,965
Directors of subsidiaries		
Phillip Monier **	-	6,020
Richard Garnett	38,894	37,988
	256,628	307,506

** Directors of subsidiaries. Total fees paid were inclusive of termination fees, where applicable.

Burnbrae Limited

The Company has entered into a service agreement with Burnbrae Limited for the provision of administrative and general office services. Mr James Mellon and Mr Denham Eke are both directors of Burnbrae Limited and the Company. During the period the Company incurred a total cost of £49,953 (six month period ended 30 September 2012: £58,365) under this agreement of which £Nil was outstanding at end of the period (2012: £nil).

Notes (continued)

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18 Significant shareholdings

Except for the interests disclosed in this note, the Directors are not aware of any holding of Ordinary Shares as at 30 September 2013 representing 3% or more of the issued share capital of the Company:

	Number of Ordinary Shares	Percentage of Total Issued Capital
Vidacos Nominees Limited	46,017,464	15.92%
Rosy Mining Limited	35,889,079	12.41%
Plinian Guernsey Limited [3]	30,925,428	10.70%
Stephen Dattels [1]	27,172,906	9.40%
James Mellon [2]	18,027,398	6.24%
Panetta Partners Limited	16,829,000	5.82%
Generation Resources Limited	14,360,340	4.97%
Tocqueville Gold Fund	10,000,000	3.46%

Notes:

1. *These shares are held by Regent Mercantile Holdings Limited, a company owned by a trust under which Stephen Dattels is a discretionary beneficiary.*
2. *James Mellon's shareholding consists of 17,343,727 shares held by Galloway Limited, a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest. The balance of James Mellon's shareholding is held in his own name.*
3. *Brad Mills and Anton Mauve are principals of Plinian Guernsey Limited which acted as operator of CMC Guernsey prior to acquisition by Ferrum Resources Limited.*

19 Basic and diluted loss per share

The calculation of basic loss per share of the Group is based on the net loss attributable to shareholders for the period of £6,358,759 (2012: net loss of £1,553,432) and the weighted average number of shares outstanding of 288,148,960 (2012: 278,410,257).

Weighted average number of ordinary shares

	30 September 2013	30 September 2012
Issued ordinary shares at 01 April	287,990,252	258,949,579
Effect of shares issued for cash	-	5,967,738
Effect of share options exercised	91,985	148,678
Effect of share warrants exercised	66,723	-
Effect of shares issued on business combination	-	13,344,262
Weighted average number of ordinary shares	288,148,960	278,410,257

Diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares such as warrants and options. As at 30 September 2013 and 2012, there is no dilutive effect because the Group incurred net losses in both periods. Therefore, basic and diluted earnings per share are the same.

20 Commitments and contingent liabilities

There are no known contingent liabilities as at the period end.

As part of the initial licence application as well as during the renewal process, under the Cameroon law, there is a minimum technical expense commitment of circa $200/km2/year on each permit. The total surface area for the licences retained during the period was about 4000 km2 which brings the Company's total commitment for the year to at least US$800,000.

21 Subsequent events

The Directors are considering the possibility of raising approximately US$6 million in early 2014. The proceeds will be used principally to fund the development of the Binga licence zone, depending upon the results of a geophysical survey to be undertaken in the first quarter of 2014, but also to either continue the exploration programme in Cameroon or potentially fund further acquisitions. Certain shareholders have indicated to the Directors that they will be willing to subscribe to a fund raising should this be approved by the Board.