



Directors' Report and Consolidated Financial Statements

**For the year ended 31 March 2016**

Registration number: 1415559

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# West African Minerals Corporation

## Management and administration

Registered office	Craigmuir Chambers Road Town Tortola British Virgin Islands
Secretary	Denham Eke 4 <sup>th</sup> Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH
Nominated advisor	Beaumont Cornish Limited 2nd Floor Bowman House 29 Wilson Street London EC2M 2SJ
Broker	Beaufort Securities Limited 131 Finsbury Pavement, London, EC2A 1NT
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 advisors	Kerman & Co LLP 200 Strand London WC2R 1DJ
Depositary	Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE
Administrator	Burnbrae Limited 4 <sup>th</sup> Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH

# West African Minerals Corporation

## Financial Highlights

- Total Assets decreased by 2.6% to £22.4 million (2015: £23.0 million) largely due to operational expenses incurred, no impairment losses were recognised during the year.
- Cash on hand equates to £3.6 million (2015: £4.4 million).
- Operational expenses continue to be rigorously controlled at all levels.
- During the financial year under review, the Group reported a total comprehensive loss of £0.7 million (2015: Loss £5.7 million).
- Basic and diluted loss per share at 0.15 pence per share for all operations (2015: 1.48 pence).

## Operational Highlights

### Mineral Resource Estimate (MRE) and Metallurgy at Sanaga:

- WAFM is currently completing internal scoping studies on the development of a local, collaborative steel production to secure future off-take from Sanaga and enable a Cameroon iron ore industry.
- The Ministry of Mines in Cameroon is finalising a lease-area reduction of WAFM's surface holdings from 4,117 km<sup>2</sup> to 331 km<sup>2</sup> allowing the company to retain its resources and discovered iron ore deposits while significantly reducing its required exploration commitments. The company will now hold four leases instead of five previously and only the Sanaga relinquished block is awaited to finalise the process.
- The company continues to evaluate suitable target businesses in the mineral resource sector for acquisition or investment.

### Cash Preservation

- Due to the persisting weak market for iron ore and following the completion of the Sanaga Mineral Resource Estimate (MRE), WAFM has successfully reduced operational and corporate expenditure, preserving its cash position during the year.
- The strategy to reduce expenditure to a bare minimum included significant reduction in the operational team and exploration field activities, the divestiture of the company's Sierra Leone assets, the successful reduction in the lease area size under exploration permit in Cameroon (to include only areas of "known mineralisation") and a rationalisation of Corporate overheads. This strategy will remain in place through the next financial year, until such time as the company makes a new investment or implements its regional steel production strategy, or sees a significant improvement in market conditions.

# West African Minerals Corporation

## Chairman's statement

Dear Shareholders,

### Outlook

The mining sector and, in particular, the iron ore sector has been under significant cyclical price pressure due to the decline in demand expectations from the key Chinese market coupled with surging new supply from Australia (Roy Hill, Rio Tinto) and Brazil (Vale). Prices of several key commodities are at five and six year lows. Most notably, iron ore has continued to trade between US\$71.1 in January 2015 to US\$38.50 in December 2015 per dry metric ton 62% Fe, down over 70% from its 2013 peak of over US\$140 per tonne. This dramatic reduction in price has led to continued substantial financial stress in the junior iron ore production and exploration space with the closure and bankruptcy of a number of new market entrants that were over geared and or had inflexible high cost structures. Equity values in all segments of the mining market place from senior producer to junior explorers have been severely impacted by the rapid decline in commodity prices. Current iron ore prices around US\$60 per tonne are potentially signalling a more positive price environment.

West African Minerals Corporation (the "Company") remains fortunate among its peers in that it has no debt, a healthy cash balance and low maintenance cash burn rate of less than US\$0.8 million per year. Our strategy today remains to prudently advance our most mature and promising iron asset toward production by securing appropriate infrastructure and seeking out compelling new business opportunities in the mineral resource space outside of iron ore where there may be significant unrecognised value. The Company is able to access substantial technical expertise to identify and unlock potential value. Our long term view is that all mineral commodities are fundamentally cyclical and that those companies that can take advantage of periods of extremely low asset valuations to build their portfolio will be well placed to benefit from the eventual market recovery.

We thus continue to focus significant effort on how best to utilise our existing assets, notably utilising the Sanaga deposit as a low cost feed source for a regional steel development opportunity and to review and evaluate new business opportunities for advanced exploration or producing assets in mineral commodities other than iron ore. We will continue to preserve cash and only spend funds on compelling value generating opportunities.

### Operations in Review

#### Development of Sanaga

During the reporting period up until 31 March 2016, the Company completed an internal concept study on the viability of a regional steel industry that would provide a local off-take for future Sanaga production involving collaborative participation of local gas producers and infrastructure and power suppliers. Results proved encouraging and the option of upgrading the study to an independent Scoping Study focussed on production of iron ore pellets from the Sanaga Resource is currently being investigated.

#### Cash Preservation

Given the persisting weak iron ore market, the Company continues to operate with a skeleton staff under a cash preservation budget and has significantly reduced expenditure relating on its lease holding and service providers. The divestiture of the Sierra Leone Exploration Leases (as announced on 21 August 2015) and the significant reduction of the exploration lease areas in Cameroon (preserving the defined resource and deposit areas) have reduced exploration and compliance commitments.

A limited work program is being undertaken on the remaining Cameroon lease areas which is focused on reviewing existing exploration data and a reconnaissance stream sediment sampling campaign. Semester and Annual reporting and other compliance related activities have been kept current.

#### Reduction of Exploration Lease Area in Cameroon

The Ministry of Mines in Cameroon is finalising the approval of a lease-area reduction of WAFM's surface holdings from 4,117 km<sup>2</sup> to 331 km<sup>2</sup> (with permits being reduced from 5 to 4 as Binga and Minko were merged).

# West African Minerals Corporation

## Chairman's statement (continued)

### New Business

The Company has reviewed and assessed a number of projects as suitable targets for acquisition or investment. While none of these projects has yet met the Company's value generation criteria when subjected to due diligence, a number of projects are being actively reviewed by the new business team.

### Board Changes

On 31st March 2016 Plinian Capital Limited (controlling shareholder Brad Mills) informed the Company that it would not renew its Operator Agreement. Brad Mills also resigned as Executive Chairman with immediate effect but remained as a director of the Company. The Board asked me to assume the position of Non-Executive Chairman until the future direction for the Company was agreed by major shareholders. The Company's current Board is non-executive and no replacement operator agreement has been entered into.

### Results to March 2016

During the financial period under review, the Group reported a reduced total comprehensive loss of £0.7 million (2015: £5.7 million). This reduction in loss was expected following stringent cost cutting as a result of implementation of new stream-lined budget for the Company to reduce expenditures at operational and corporate level as well as a result of relinquishment of Sierra Leone licenses.

The Company completed its withdrawal from Sierra Leone, which has been effected by the sale on 19 August 2015 of its entire interest in the share capital of its wholly-owned subsidiary, Ferrous Africa Limited ("FAL"). FAL's subsidiaries ("FAL Group") held the Company's five licence interests in Sierra Leone. As a consequence of the disposal, the buyer (Sierra Resources Limited) will be responsible for any liabilities of the FAL Group from completion, including any costs for rehabilitation and wind-up, which had otherwise been estimated to cost the Company US\$50,000 in 2015. Following completion, the Company has no further interests in Sierra Leone and no further financial liabilities in respect of the Sierra Leone licences. In addition, the buyer paid a nominal consideration of US\$1. No surplus or deficit was recognised from the sale since the net assets of FAL and its underlying subsidiaries have already been fully impaired during the year ended 31 March 2015.

The Company also assessed the carrying value of deferred mine costs relating to areas for which licenses were still held for impairment as at 31 March 2016 and considered that the recoverable amount of these assets exceeded the carrying amount and as such, no further impairment was recognised. There have been no indications of impairment since the last review and exploration activities to date have continued to be positive.

The Company's Shareholders' Equity reduced by 2.7% primarily as a result of the operational costs incurred during the period.

Total costs capitalised to Deferred Mine Exploration costs stood at £11.8 million (31 March 2015: £11.5 million).

Cash stood at £3.6 million at the end of the period (31 March 2015: £4.4 million).

Total number of shares in issue as at the period end was 381.2 million, there were no new shares issued during the period.

# West African Minerals Corporation

## Chairman's statement (continued)

### Summary

Until market fundamentals resolve and demand from China strengthens, the Company will continue to “weather the storm” and position itself for the eventual and, in the view of the Board, inevitable recovery. The cash preservation program has been in place for the last eighteen months while the Company continues to de-risk its South Sanaga project for logistical requirements with a view to advancing towards feasibility when prudent. We believe there is no better time to strengthen the Company's portfolio than the present and continue to actively evaluate suitable opportunities that provide exceptional synergies and growth prospects.

The Company's Board of directors maintains its positive outlook for the future demand for iron ore and is committed to creating sustainable value for shareholders through cash flow generating assets with anticipated low operational and capital costs.

**Gerard Holden**  
**Non-Executive Chairman**  
**29 September 2016**

# West African Minerals Corporation

## Directors' report

The Directors present their annual report and the consolidated financial statements for West African Minerals Corporation ("WAFM" or the "Company") for the year ended 31 March 2016.

### 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 year are set out on pages 9 to 12.

The Group made a total comprehensive loss for the year after taxation of £690,290 (2015: Loss £5,742,023).

### Dividend

The Directors do not propose the payment of a dividend for the year (2015: £nil).

### Directors

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

	Appointed	Resigned
Bradford Mills *		
Anton Mauve		1 June 2015
Andrew Gutmann *	1 June 2015	
Willy Simon *	1 June 2015	
James Mellon *		
Gerard Holden		

\* *non-executive*

### Auditors

Our auditors, KPMG LLC, being eligible, have expressed their willingness to continue in office.

On behalf of the Board

**Gerard Holden**  
**Director**

29 September 2016  
Craigmuir Chambers  
Road Town  
Tortola  
British Virgin Islands



# West African Minerals Corporation

## 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 year.

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 they have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU; 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 are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time its financial position. 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, to the members of West African Minerals Corporation

We have audited the financial statements of West African Minerals Corporation (the “Group”) for the year ended 31 March 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs), as adopted by the EU.

This report is made solely to the Group’s members, as a body. Our audit work has been undertaken so that we might state to the Group’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 Group and the Group’s members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and Auditor

As explained more fully in the Directors’ Responsibilities Statement set out on page 7, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors’ report, financial and operational highlights and Chairman’s statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s affairs as at 31 March 2016 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs, as adopted by the EU.

29 September 2016

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

# West African Minerals Corporation

## Consolidated statement of comprehensive income

for the year ended 31 March 2016

	Notes	Year ended 31 March 2016 £	Restated (see Note 8) Year ended 31 March 2015 £
<b>Continuing operations</b>			
<b>Income</b>		-	-
<b>Operating expenses</b>			
Directors' fees	18	(25,836)	(241,853)
Salaries and wages		(45,042)	(76,346)
Consultants' fees		(105,250)	(65,738)
Other professional fees		(361,404)	(377,854)
Administration expenses		(124,026)	(235,417)
Share option and warrants	16	(69,031)	(180,277)
Other costs		(33,442)	(5,224)
<b>Total operating expenses</b>	4	<b>(764,031)</b>	<b>(1,182,709)</b>
Other gains - net		33,797	161,869
Profit on disposal of fixed assets		18,715	-
Finance income		8,600	11,678
<b>Loss before income tax</b>		<b>(702,919)</b>	<b>(1,009,162)</b>
Taxation	5	-	-
<b>Loss from continuing operations</b>		<b>(702,919)</b>	<b>(1,009,162)</b>
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations	8	132,203	(4,565,555)
<b>Loss for the year</b>		<b>(570,716)</b>	<b>(5,574,717)</b>
Other comprehensive loss - foreign currency translation reserve		(119,574)	(167,306)
<b>Total comprehensive loss for the year</b>		<b>(690,290)</b>	<b>(5,742,023)</b>
Basic and diluted loss per share – all operations	20	(0.0015)	(0.0148)
Basic and diluted loss per share – continuing operations	20	(0.0018)	(0.0027)

The notes on pages 13 to 33 form an integral part of these consolidated financial statements.

# West African Minerals Corporation

## Consolidated statement of financial position

as at 31 March 2016

	Notes	At 31 March 2016 £	At 31 March 2015 £
<b>Assets</b>			
Property, plant and equipment	7	116,390	223,127
Deferred mine exploration costs	6	11,827,633	11,468,946
Exploration permits	12	6,284,715	6,284,715
Goodwill	10	429,137	429,137
<b>Total non-current assets</b>		<b>18,657,875</b>	18,405,925
<b>Current assets</b>			
Cash and cash equivalents		3,568,800	4,365,927
Trade and other receivables	14	168,643	220,556
<b>Total current assets</b>		<b>3,737,443</b>	4,586,483
<b>Total assets</b>		<b>22,395,318</b>	22,992,408
<b>Equity</b>			
Share premium	9	66,192,355	66,192,355
Share options reserves	16	184,323	172,639
Share warrants reserves	16	1,114,454	1,114,454
Foreign currency translation reserve		(192,433)	(72,859)
Retained deficit		(45,029,569)	(44,516,200)
<b>Total equity</b>		<b>22,269,130</b>	22,890,389
<b>Current Liabilities</b>			
Trade and other payables	15	126,188	102,019
<b>Total liabilities</b>		<b>126,188</b>	102,019
<b>Total equity and liabilities</b>		<b>22,395,318</b>	22,992,408

The notes on pages 13 to 33 form an integral part of these consolidated financial statements.

These financial statements were approved by the board of Directors on 29 September 2016 and were signed on their behalf by:

**Gerard Holden**  
Director

**Willy Simon**  
Director

# West African Minerals Corporation

## Consolidated statement of changes in equity

for the year ended 31 March 2016

	Notes	Share premium £	Share options reserve £	Share warrants reserve £	Foreign currency translation reserves £	Retained deficit £	Total shareholders' equity £
<b>Balance at 1 April 2015</b>		<b>66,192,355</b>	<b>172,639</b>	<b>1,114,454</b>	<b>(72,859)</b>	<b>(44,516,200)</b>	<b>22,890,389</b>
<b>Total comprehensive loss for the year</b>							
Loss for the year		-	-	-	-	(570,716)	(570,716)
Other comprehensive profit / (loss) for the year		-	-	-	(119,574)	-	(119,574)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Options/warrants expired/ (cancelled)	16	-	(57,347)	-	-	57,347	-
Options and warrants reserve charge	16	-	69,031	-	-	-	69,031
<b>Balance at 31 March 2016</b>		<b>66,192,355</b>	<b>184,323</b>	<b>1,114,454</b>	<b>(192,433)</b>	<b>(45,029,569)</b>	<b>22,269,130</b>
<b>Balance at 1 April 2014</b>		<b>65,953,822</b>	<b>712,783</b>	<b>1,106,816</b>	<b>94,447</b>	<b>(39,654,266)</b>	<b>28,213,602</b>
<b>Total comprehensive loss for the year</b>							
Loss for the year		-	-	-	-	(5,574,717)	(5,574,717)
Other comprehensive loss for the year		-	-	-	(167,306)	-	(167,306)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Options/warrants expired/ (cancelled)	16	-	(712,783)	-	-	712,783	-
Directors shares issues in lieu of salary	9,18	238,533	-	-	-	-	238,533
Options and warrants reserve charge	16	-	172,639	7,638	-	-	180,277
<b>Balance at 31 March 2015</b>		<b>66,192,355</b>	<b>172,639</b>	<b>1,114,454</b>	<b>(72,859)</b>	<b>(44,516,200)</b>	<b>22,890,389</b>

The notes on pages 13 to 33 form an integral part of these consolidated financial statements.

# West African Minerals Corporation

## Consolidated statement of cash flows

for the year ended 31 March 2016

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2015 £
<b>Cash flows from operating activities</b>			
Loss for the year		<b>(570,716)</b>	(5,574,717)
<i>Adjusted for non-cash and non-operating items:</i>			
Share options and warrants charge		<b>69,031</b>	180,277
(Profit) / loss on sale of property, plant and equipment		<b>(18,715)</b>	66,506
Impairment of discontinued operations	8	-	4,432,815
Profit on sale of discontinued operations	8	<b>(132,203)</b>	-
Finance income		<b>(8,600)</b>	(11,678)
		<b>(661,203)</b>	(906,797)
Change in trade and other receivables		<b>51,914</b>	(3,507)
Change in trade and other payables		<b>24,168</b>	(46,946)
Disposal of trade and other payables on discontinued operations	8	<b>132,203</b>	-
Net cash used in operating activities		<b>(452,918)</b>	(957,250)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	<b>(319)</b>	(3,273)
Proceeds from sale of property, plant and equipment	7	<b>49,311</b>	-
Net cash inflow on disposal of discontinued operations	8	<b>1</b>	-
Amount paid for capitalised deferred mine exploration cost	6	<b>(282,228)</b>	(1,860,332)
Net cash used in investing activities		<b>(233,235)</b>	(1,863,605)
<b>Cash flows from financing activities</b>			
Interest received		<b>8,600</b>	11,678
Exercise of share options and warrants	9, 18	-	238,533
Net cash generated from financing activities		<b>8,600</b>	250,211
Effect of foreign exchange movement on cash		<b>(119,574)</b>	(167,306)
Decrease in cash and cash equivalents		<b>(797,127)</b>	(2,737,950)
Cash and cash equivalents at beginning of year		<b>4,365,927</b>	7,103,877
Cash and cash equivalents at end of year		<b>3,568,800</b>	4,365,927

The notes on pages 13 to 33 form an integral part of these consolidated financial statements.

# West African Minerals Corporation

## Notes

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 1 Reporting Entity

West African Minerals Corporation (formerly Emerging Metals Limited) (the “Company” or “WAFM”) is a company domiciled in the British Virgin Islands. These consolidated financial statements comprise the Company and its subsidiaries (collectively the “Group”). 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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The consolidated financial statements were authorised for issue by the Board of Directors on 29 September 2016.

#### (b) Basis of measurement

##### *Functional and Presentation Currency*

The consolidated 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 consolidated 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant estimates and assumptions include those related to recoverability of mineral properties and determination as to whether costs are expensed or deferred.

##### *Going concern*

The consolidated 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 Cameroon remain viable. The Directors therefore have a reasonable expectation despite the economic uncertainty that the Company will have adequate resources and liquidity management (note 13) 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 year ended 31 March 2016.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

#### **Basis of consolidation**

##### *Business combination*

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity instruments. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 3 Significant accounting policies (continued)

#### Basis of consolidation (continued)

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Control is achieved 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. In assessing control, the impact of potential voting rights that currently are exercisable should be considered. All potential voting rights are taken into account, whether held by Group or by other parties. Such potential voting rights may take many forms, including call options, warrants, convertible shares and contractual arrangements to acquire shares. Only those rights that either would give the entity voting power or that would reduce another party's voting rights are considered.

#### Non-controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The Group measures goodwill as the excess of the sum of fair value of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the consolidated statement of comprehensive income.

Subsequent to initial recognition, goodwill and intangible assets with indefinite useful lives are measured at cost or in some cases at a revalued amount less accumulated impairments. Goodwill and intangible assets with indefinite useful lives are not amortised, but instead are subject to impairment testing at least annually including the end of the initial accounting period.

For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.



# West African Minerals Corporation

## Notes (continued)

*forming an integral part of the consolidated financial statements for the year ended 31 March 2016*

### 3 Significant accounting policies (continued)

#### Foreign currency transactions

Transactions in foreign currencies are translated into functional currency based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated into functional currency at the exchange rate prevailing at the reporting date. Gains or losses arising from foreign currency transactions are recognised in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined or if measured at historical cost are translated using the exchange rate at the date of the transaction. The assets and liabilities of foreign operations are translated to pounds sterling at exchange rates at the reporting date while income and expenses are translated at exchange rates at date of transactions although if not practically available, the average rate for the period is used. Gains or losses arising are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

#### Deferred mine exploration costs

The Company deems that all expenditure incurred in the country of the project, directly relating to exploratory activities, in addition to the acquisition costs of an existing, granted exploration permit or license, is capitalisable as deferred mine costs once a license or permit has been obtained for exploratory activities. Pre-license costs are expensed in the period in which they are incurred. License costs paid in connection with a right to explore in an existing exploration area are capitalised.

Exploration expenditures relate to the initial search for mineral deposits with economic potential as well as expenditures incurred for the purposes of obtaining more information about existing mineral deposits. Exploration expenditures typically comprise costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies;
- exploratory drilling and sampling for the purposes of obtaining core samples and the related metallurgical assay of these cores; and
- drilling to determine the volume and grade of deposits in an area known to contain mineral resources or for the purposes of converting mineral resources into proven and probable reserves.

The assessment of probability is based on the following factors: results from previous drill programmes; results from a geological study; results from a mine scoping study confirming economic viability of the resource; and preliminary estimates of the volume and grade of the deposit, and the net cash flows expected to be generated from its development.

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits will arise either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Deferred mine exploration cost are capitalised to the extent that they do not exceed the estimated economically recoverable amount from mineral interests. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. Management reviews the carrying values of its deferred mine exploration costs at least annually and whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognised when the carrying value of those assets is not recoverable and exceeds their fair value.

# West African Minerals Corporation

## Notes (continued)

*forming an integral part of the consolidated financial statements for the year ended 31 March 2016*

### 3 Significant accounting policies (continued)

#### Deferred mine exploration costs (continued)

These costs are carried forward provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has not expired during the period or will expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is either budgeted or planned;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

Upon reaching commercial production, these capitalised costs will be transferred from development properties to producing properties on the Consolidated Statement of Financial Position and will be amortised using the unit-of-production method over the estimated period of economically recoverable reserves.

#### Exploration permits

Exploration permits acquired by way of an asset acquisition or business combination are recognised if the asset is separable or arises from contractual or legal rights. On acquisition of a mineral property in the exploration stage, we prepare an estimate of the fair value attributable to the exploration potential, including mineral resources, if any, of that property. The fair value of the exploration permits is recorded as an intangible asset (acquired exploration permits) as at the date of acquisition. When an exploration stage property moves into development, any acquired exploration intangible asset balance attributable to that property is transferred to non-depreciable mining interests within property, plant and equipment. Impairment testing and the reversal of impairments are conducted in accordance with accounting policy adopted for deferred mine exploration costs.

#### Mineral property expenses

Mineral property expenses are costs incurred that do not qualify for capitalisation and are therefore expensed to the profit or loss as incurred. These include payments for costs incurred prior to obtaining licenses.

#### Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 3 Significant accounting policies (continued)

#### Property, plant and equipment

##### *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings and improvements 10 years
- Transportation equipment 5 years
- Office furniture and fittings 3 years
- Tools and equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### Finance income and finance costs

Finance income comprises interest income on cash held in bank. Finance costs comprise interest expense and bank charges. Finance income and finance costs are recognised as they accrue in profit or loss, using the effective interest method.

#### Financial instruments

##### *Measurement*

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 3 Significant accounting policies (continued)

#### Financial instruments (continued)

##### *Trade and other receivables*

Trade and other receivables are stated at amortised costs using the effective interest method less impairment losses. Impairment losses are recognised in the profit or loss.

##### *Cash and cash equivalents*

Cash and cash equivalents are measured at amortised cost and are due on demand. Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less that are subject to insignificant risk of changes in fair value and used by the Group in management of its short term commitments.

##### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost using the effective interest method.

#### Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations; and
- is part of a single co-ordinated plan to dispose, or discontinue, a separate major line of business or geographic area of operations.

Classification as a discontinued operation occurs at the earlier of disposal, permanent cessation of activities or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

#### Share based payments

##### *Share option*

The Company grants share options to directors, officers and employees of the Company under its incentive share option plan. Options may also be granted to a person/company providing services to the Group as a consultant or otherwise. The fair value of the instruments granted is measured using the Black-Scholes option pricing model (where no fair value of the service or assets provided is evident), taking into account the terms and conditions upon which the instruments are granted and are expensed over their vesting period. In estimating fair value, management is required to make certain assumptions and estimates regarding such items as the life of options, volatility and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

The fair value of the awards is adjusted by the estimate of the number of awards that are expected to vest as a result of non-market conditions and is recognised over the vesting period using an accelerated method of amortisation. At each reporting period date, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity. Share-based compensation relating to share options is charged to profit or loss in the Consolidated Statements of Comprehensive Income.

##### *Warrants*

The fair value of warrants is calculated using the Black-Scholes option pricing model (where no fair value of the service or assets provided is evident) and is recognised as expense over the vesting period where applicable with a corresponding increase in equity. In determining the fair values, terms and conditions attached to the warrants are taken into account. Management is also required to make certain assumptions and estimates regarding such items as the life of warrants, volatility and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 3 Significant accounting policies (continued)

#### Share premium

Ordinary shares are classified as equity. The ordinary shares of the Company have a nil par value. As such all proceeds received for the issue of shares have been credited to share premium. Proceeds from the exercise of share options or conversion of share purchase warrants are recorded in share premium at the amount received on exercise or conversion. Commissions paid to underwriters or agents and other related share issue costs, such as legal, accounting and printing, are charged to share premium.

#### Segmental reporting

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities and head office expenses.

#### New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year, and have not been applied in preparing these consolidated financial statements:

<b>New/revised International Accounting Standards/International Financial Reporting Standards (IAS/IFRS)</b>	<b>Effective date</b> (accounting periods commencing on or after)
<i>IFRS 14 Regulatory Deferral Accounts</i>	1 January 2016
<i>Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)</i>	1 January 2016
<i>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)</i>	1 January 2016
<i>Equity Method in Separate Financial Statements (Amendments to IAS 27)</i>	1 January 2016
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	1 January 2016
<i>Annual Improvements to IFRS 2012 – 2014 Cycle – various standards</i>	1 January 2016
<i>Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)</i>	1 January 2016
<i>Disclosure Initiative (Amendments to IAS 1)</i>	1 January 2016
<i>IFRS 9 Financial Instruments</i>	1 January 2018

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the Group's financial statements in the period of initial application.

There has been no material impact on the Group financial statements of new standards/interpretations that have come into effect during the current reporting period.

#### Taxation

Tax expense comprises current and deferred tax which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity and other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax in previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 4 Loss before finance income

Loss before finance income is stated after charging:

<b>Company and Group</b>	<b>31 March 2016</b>	31 March 2015
	£	£
Auditors' Fees	<b>55,778</b>	20,778
Directors' Fees ( <i>note 18</i> )	<b>25,836</b>	241,853
Rent expense	<b>26,772</b>	20,057
	<u><u>          </u></u>	<u><u>          </u></u>

### 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.

The corporate tax rate in Cameroon is 35% (taking into account the 10% surcharge, the effective rate is 38.5%). 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 from inception to current period therefore it is not subject to tax liability.

Deferred tax assets in respect of the losses incurred, estimated to be £523,562 for Cameroon have not been recognised due to insufficient evidence of the timing of suitable future profits against which they can be recovered. Deferred tax liabilities have also not been recognised.

### 6 Deferred mine exploration costs

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

	<b>Cameroon</b>	<b>Sierra Leone</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 April 2015	13,495,324	1,847,096	15,342,420
Costs capitalised during the period	282,228	-	282,228
Depreciation charges capitalised during the period ( <i>note 7</i> )	76,459	-	76,459
Disposal of Sierra Leone licences	-	(1,847,096)	(1,847,096)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2016	13,854,011	-	13,854,011
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Impairment</b>			
At 1 April 2015	2,026,378	1,847,096	3,873,474
Impairment recognised during the period	-	-	-
Disposal of Sierra Leone licences	-	(1,847,096)	(1,847,096)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2016	2,026,378	-	2,026,378
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>			
<b>At 31 March 2016</b>	<b>11,827,633</b>	-	<b>11,827,633</b>
At 31 March 2015	11,468,946	-	11,468,946
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

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.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 6 Deferred mine exploration costs (continued)

#### Cameroon

The CMC Exploration Permits, held by Compagnie Minière du Cameroun ("CMC Cameroon") originally comprised 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. License permits for Dja and a large portion of Minko were relinquished during the course of license renewal in January 2014. Permits for the remaining licenses have been approved by the government of Cameroon for two additional years.

As a result of the surrender of the Dja and the majority of the Minko licenses (relating to areas within the national parks) in the course of license renewal negotiations in January 2014, the Group recognised a full impairment against the balances capitalised in relation to these two licences (with the exception of the remaining 50% retained balance of the Minko license).

The Group assessed the deferred mine costs, relating to areas for which licenses were still held, for impairment as at 31 March 2016 and considered that the recoverable amount of these assets exceeded the carrying amount and as such, no impairment was recognised. There have been no indications of impairment since the last review and exploration activities to date have continued to be positive.

#### Sierra Leone

The Company completed its withdrawal from Sierra Leone, which was effected by the sale on 19 August 2015 of its entire interest in the share capital of its wholly-owned subsidiary, Ferrous Africa Limited ("FAL") for nominal consideration. In line with the Group's accounting policy for deferred mine exploration costs the balances in relation to the Sierra Leone license areas have been fully impaired during the year.

### 7 Property, plant and equipment

Group	Geological tools & equipment £	Furniture & equipment £	Leasehold improvements £	Transportation equipment £	Total £
<b>Cost</b>					
At 1 April 2015	136,529	122,008	27,347	377,964	663,848
Additions	319	-	-	-	319
Disposal	(67,484)	(54,413)	(27,347)	(209,461)	(358,705)
<b>As at 31 March 2016</b>	<b>69,364</b>	<b>67,595</b>	<b>-</b>	<b>168,503</b>	<b>305,462</b>
<b>Depreciation</b>					
At 1 April 2015	95,254	82,920	27,347	235,200	440,721
Charge for the year - capitalised	13,224	10,088	-	53,148	76,460
Disposal	(67,484)	(54,413)	(27,347)	(178,865)	(328,109)
<b>As at 31 March 2016</b>	<b>40,994</b>	<b>38,595</b>	<b>-</b>	<b>109,483</b>	<b>189,072</b>
<b>Net book value</b>					
<b>As at 31 March 2016</b>	<b>28,370</b>	<b>29,000</b>	<b>-</b>	<b>59,020</b>	<b>116,390</b>
As at 31 March 2015	41,275	39,088	-	142,764	223,127

Total proceeds received on the disposal of fixed assets during the year was £49,311.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 8 Discontinued operations

On 19 August 2015 the Group completed the sale of its entire interest in the share capital of its wholly-owned subsidiary, Ferrous Africa Limited ("FAL") for a cash consideration of US\$1. FAL's subsidiaries ("FAL Group") held the Company's five licence interests in Sierra Leone.

The comparative Consolidated Statement of Comprehensive Income has been restated to show the discontinued operation separately from continuing operations.

#### (a) Results of discontinued operations

	31 March 2016	31 March 2015
	£	£
Revenue	-	-
Expenses	(14,871)	(132,740)
Impairment charge	-	(4,432,815)
<b>Results from operating activities</b>	<b>(14,871)</b>	<b>(4,565,555)</b>
Profit on sale on discontinued operations	<b>147,074</b>	-
<b>Profit/(loss) for the year</b>	<b>132,203</b>	<b>(4,565,555)</b>
<b>Attributable to:</b>		
Equity shareholders	<b>132,203</b>	<b>(4,565,555)</b>
Basic and diluted loss per share	<b>0.0003</b>	<b>(0.0121)</b>

#### (b) Cash flows from/(used in) discontinued operations

	31 March 2016	31 March 2015
	£	£
Net cash used in operating activities	(14,871)	(132,740)
Net cash generated from investing activities	1	-
<b>Net cash flow for the year</b>	<b>(14,870)</b>	<b>(132,740)</b>

#### (c) Effect of discontinued operations on the financial position of the Group

	31 March 2016
	£
<b>Effect of discontinued operations on the net assets and liabilities of the Group</b>	<b>147,073</b>
Consideration received, satisfied in cash	1
<b>Profit on sale of discontinued operations</b>	<b>147,074</b>



# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 9 Capital and reserves

#### Capital Management

The Group manages its capital to maximise the return to the shareholders through the optimisation of equity. The capital structure of the Group at 31 March 2016 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 years ended 31 March 2016 and 31 March 2015.

#### 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.

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
			Number	£	£
<i>Issued ordinary shares</i>					
At 01 April 2014			376,737,123	-	65,953,822
Issue of new shares to Directors	27/02/2015	£0.054	4,420,715	-	238,533
At 31 March 2015			381,157,838	-	66,192,355
<b>At 31 March 2016</b>			<b>381,157,838</b>	<b>-</b>	<b>66,192,355</b>

#### 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 31 March 2016. A reconciliation and methodology used in determining the fair values are set out in note 16.

#### Dividends

No dividends were declared or proposed by the Directors during the year (31 March 2015: £Nil).

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 10 Goodwill

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

	Cameroon £	Sierra Leone £	Total £
<b>Cost</b>			
At 1 April 2015	643,706	214,569	858,275
Disposal of Sierra Leone licences	-	(214,569)	(214,569)
At 31 March 2016	643,706	-	643,706
<b>Impairment</b>			
At 1 April 2015	214,569	214,569	429,138
Disposal of Sierra Leone licences	-	(214,569)	(214,569)
At 31 March 2016	214,569	-	214,569
<b>Net book value</b>			
<b>At 31 March 2016</b>	<b>429,137</b>	-	<b>429,137</b>
At 31 March 2015	429,137	-	429,137

The Company completed its withdrawal from Sierra Leone, which was effected by the sale on 19 August 2015 of its entire interest in the share capital of its wholly-owned subsidiary, Ferrous Africa Limited ("FAL") for a nominal consideration. FAL's subsidiaries ("FAL Group") held the Company's five licence interests in Sierra Leone. In line with the Group's accounting policy for Goodwill, the balances in relation to these five license areas have been fully impaired.

The Company additionally assessed the goodwill attributable to all remaining exploration permits for impairment as at 31 March 2016 and considered that the recoverable amount of these intangible assets exceeded the carrying amount and as such, no impairment was recognised. There have been no indication of impairment since the last review and exploration activities to date have continued to be positive.

### 11 Investment in subsidiary undertakings

As at 31 March 2016, 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, Ferrum Guinee and Ferrum Mauritania
CMC Guernsey Limited (CMC)	Guernsey	100%	Holding company of CMC Cameroon
Compagnie Minière du Cameroun (CMC Cameroon)	Cameroon	100%	Holds exploration licenses in Cameroon
Ferrum Resources Guinee S.A. (Ferrum Guinee)	Guinea	100%	Holds exploration applications in Guinea

\* Held directly by WAFM. All other holdings are indirect

The consolidated financial statements include the results of the subsidiaries from the date that control is obtained to 31 March 2016 or the date that control ceases.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 11 Investment in subsidiary undertakings (continued)

#### *Disposal of interest in Sierra Leone*

As noted earlier, the Group sold its interest in Sierra Leone licenses by way of sale of its holdings in the capital of its wholly owned subsidiary, Ferrous Africa Limited ("FAL") for nominal consideration. Following completion, the Company has no further interests in Sierra Leone and no further financial liabilities in respect of the Sierra Leone licences.

The assets and liabilities of FAL and its underlying subsidiaries have been fully impaired during the year ended 31 March 2015 resulting in nil carrying value. The consideration received from the sale was nominal and as such no surplus or deficit was recognised in the profit and loss.

### 12 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 £
<b>Cost</b>			
At 1 April 2015	9,427,042	2,371,151	11,798,193
Disposal of Sierra Leone licences	-	(2,371,151)	(2,371,151)
	<hr/>	<hr/>	<hr/>
At 31 March 2016	9,427,042	-	9,427,042
	<hr/>	<hr/>	<hr/>
<b>Impairment</b>			
At 1 April 2015	3,142,327	2,371,151	5,513,478
Disposal of Sierra Leone licences	-	(2,371,151)	(2,371,151)
	<hr/>	<hr/>	<hr/>
At 31 March 2016	3,142,327	-	3,142,327
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
<b>At 31 March 2016</b>	<b>6,284,715</b>	<b>-</b>	<b>6,284,715</b>
At 31 March 2015	6,284,715	-	6,284,715
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Company completed its withdrawal from Sierra Leone, which was effected by the sale on 19 August 2015 of its entire interest in the share capital of its wholly-owned subsidiary, Ferrous Africa Limited ("FAL"). FAL's subsidiaries ("FAL Group") held the Company's five licence interests in Sierra Leone. Following completion, the Company has no further interests in Sierra Leone and no further financial liabilities in respect of the Sierra Leone licences. In line with the Group's accounting policy for exploration permits, the balances in relation to these five license areas have been fully impaired.

The Company assessed the remaining exploration permits for impairment as at 31 March 2016 and considered that the recoverable amount of these intangible assets exceeded the carrying amount and as such, no impairment was recognised. There have been no indication of impairment since the last review and exploration activities to date have continued to be positive.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 13 Financial instruments

#### Financial risk management

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group's objectives are achieved. The Group's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Group's established business objectives.

The Group's principal financial instruments consist of cash, receivables and payables arising from its operations and activities. The main risks arising from the Group's financial instruments and the policies for managing each of these risks are summarised below.

#### Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. The Group's credit risk is primarily attributable to receivables and cash balances with the maximum exposure being the reported balance in the statement of financial position. The Company has a nominal level of debtors and as such the Company believes that the credit risk concentration is minimal. The Company holds available cash with licensed banks which have a strong history. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The bank accounts are held under a fiduciary agreement and funds are available on demand.

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated. All liabilities are due within one month and all cash is maintained in call accounts. To date the Group has relied upon equity funding to finance operations. The carrying amount of financial assets and liabilities reported in the consolidated statement of financial position represents the maximum exposure to liquidity risk. Management is confident that adequate resources are available to meet current obligations and fund its operations. As at 31 March 2016, the 12 month cashflow forecast prepared by Group indicate that the Group has sufficient resources to meet its obligations.

#### Foreign exchange risk

The Group is exposed to foreign currency risk on fluctuations related to financial assets and liabilities that are denominated in US Dollars (USD) and Cameroon CFA franc (XAF). The amounts exposed to foreign currency risk are as follows (in currency balance):

		USD		XAF	
		USD balance	GBP equivalent	XAF balance	GBP equivalent
<b>31 March 2016</b>	Cash	1,572,118	1,094,180	35,119,311	60,689
	Accounts receivable	-	-	108,731,436	187,897
	Accounts payable	-	-	1,838,727	3,177
<b>31 March 2015</b>	Cash	1,874,417	1,263,595	99,341,080	110,786
	Accounts receivable	-	-	1,127,734,220	1,257,654
	Accounts payable	(10,588)	(7,138)	(2,802,821)	(3,126)

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 13 Financial instruments (continued)

#### Financial risk management (continued)

##### Foreign exchange risk (continued)

The impact of 10% strengthening of USD and XAF against Pound sterling to total comprehensive income/loss is set-out below. A 10% weakening in these currencies would have had the equal but opposite effect, on the basis that all other variables remain constant. There is no other impact on the Group's equity other than those already affecting the consolidated statement of comprehensive income (loss).

	31 March 2016	31 March 2015
Pound sterling against:	£	£
USD	99,471	114,223
XAF	32,381	99,863

Foreign currency translation risk recognised as a result of translating the balances of subsidiaries at the reporting currency adopted by the Group is analysed below:

Pound sterling against:	31 March 2016	31 March 2015
	£	£
USD	(149,480)	26,447
XAF	1,697,645	(193,752)

##### Market price risk

The Group is not exposed to significant market price risks as no financial instruments recognised are linked to market price volatility. Whilst the Group has no significant exposure to market price risk, there is a potential risk on commodity price volatility which may impact the strategic direction of the Group (i.e. if the mineral market collapses, projects may not be economically viable).

##### Interest rate exposure

Interest rate risk is the risk that the Group will sustain losses through adverse movements in interest bearing assets or liabilities; however it is the Directors' opinion that the Group is not significantly exposed to interest rate risk as it has no interest bearing liabilities and is not dependent on interest income to fund its activities.

##### Political risks

The Group's operations are subject to laws and regulations governing exploration activities. While the Group believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in laws and regulations could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties which could have a material adverse impact on the Group's current operations or planned exploration and development projects.

The Group's exploration projects are located in Cameroon. The Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in political attitudes in these countries or any other countries in which the Group may operate are beyond the control of the Group and may adversely affect its operations.

#### 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.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 14 Trade and other receivables

	31 March 2016	31 March 2015
	£	£
Prepayments	54,850	60,919
VAT	108,806	100,360
Other debtors	4,987	59,277
	<u>168,643</u>	<u>220,556</u>

### 15 Trade and other payables

	31 March 2016	31 March 2015
	£	£
Trade payables	86,368	81,289
Accrued expenses	38,767	20,000
Other creditors	1,053	730
	<u>126,188</u>	<u>102,019</u>

### 16 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 2015	Issued	Exercised	Lapsed	31 March 2016	FV of warrants in issue at period end £	Expensed during the period £
Ferrum warrant holders <b>1, 3</b>	09/01/12	5	24.40p	11,456,000	-	-	-	11,456,000	382,637	-
Advisors <b>2, 3</b>	09/01/12	5	10.00p	1,878,523	-	-	-	1,878,523	85,838	-
Consultants <b>4</b>	02/04/12	5	25.00p	1,400,000	-	-	-	1,400,000	68,740	-
Shareholders <b>5</b>	25/05/13	5	40.00p	1,000,000	-	-	-	1,000,000	43,244	-
Shareholders <b>5</b>	14/02/14	2-3	10.00p	43,820,473	-	-	-	43,820,473	533,995	-
				<u>59,554,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,554,996</u>	<u>1,114,454</u>	<u>-</u>

#### 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 the 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
5. These warrants were issued in conjunction with the two fund raising exercises completed in February 2014.

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.

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 16 Share options and warrants (continued)

#### Share warrants (continued)

	14 February 2014	29 May 2013	02 April 2012	9 January 2012
Dividend yield (%)	-	-	-	-
Expected volatility (%) 1	50%	50%	40%	90%
Risk-free interest rate (%) <sup>2</sup>	0.97%	0.43%	0.7%	1.15%
Share price at grant date	7.12 pence	35.9 pence	21.6 pence	11.5 pence
Share price (market value)	7.12 pence	35.9 pence	21.6 pence	11.5 pence
Exercise price	10.0 pence	40.0 pence	25.0 pence	24.0/10.0 pence
Expected exercise period	2 years	2 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 Gilt 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 2015	Issued	Lapsed /cancelled	Exercised	31 March 2016	Expensed during the year £	Fair value £
Directors and consultants	14/05/14	10	7.00p	14,450,000	-	(4,800,000)	-	9,650,000	69,031	184,323
				<b>14,450,000</b>	<b>-</b>	<b>(4,800,000)</b>	<b>-</b>	<b>9,650,000</b>	<b>69,031</b>	<b>184,323</b>

On 14 May 2014, the Company awarded options to acquire up to 21,500,000 ordinary shares of no par value in the Company (the "Options") to the Directors, key management and employees. These Options replace all previously granted options which have been cancelled as at the same date. The Options shall vest as to one-third on each anniversary of the date of the grant. Vested options may be exercised within 10 years at a price of 7 pence per share. The fair value of these options is £184,323 of which £184,323 has been recognised in the profit and loss to date.

On 1 June 2015, Anton Mauve resigned from the Board and has accordingly relinquished his recent share option.

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.

	14 May 2014
Dividend yield (%)	-
Expected volatility (%) <sup>1</sup>	40%
Risk-free interest rate (%) <sup>2</sup>	0.63%
Share price at grant date	7 pence
Share price (market value)	7 pence
Exercise price	7 pence
Expected exercise period	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 Gilt Strips

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 16 Share options and warrants (continued)

#### 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. 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/she 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.

### 17 Segment reporting

The Group operates in one industry segment: mineral exploration and development in Cameroon. The Company has separately identified two (2015: three) operating segments based on geographical location, being operations in Cameroon and operations at the holding level. The Group's discontinued operations in Sierra Leone are detailed in note 8. The activities in Cameroon, alongside the holding Company are reported regularly to senior management and the board 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 £	Corporate £	Total £
Deferred mine exploration costs ( <i>note 6</i> )	11,827,633	-	11,827,633
Exploration permit ( <i>note 12</i> )	6,284,715	-	6,284,715
Other non-current assets	545,527	-	545,527
Current assets	174,029	3,563,414	3,737,443
Total liabilities	(2,264)	(123,924)	(126,188)
Finance income	-	8,600	8,600
Expenses	(56,546)	(707,485)	(764,031)
Net loss	(56,546)	(646,373)	(702,919)
Other comprehensive loss	(119,574)	-	(119,574)



# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 18 Related party transactions

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

#### Key management personnel

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

Company	Expense recognised during the year		Outstanding at the end of the year	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£	£	£	£
Brad Mills	5,196	79,232	-	653
Anton Mauve (resigned 01 June 2015)	-	115,110	-	653
Denham Eke (resigned 21 May 2014)	-	12,655	-	-
James Mellon	5,195	17,244	-	653
Gerard Holden	6,661	17,612	-	837
Willy Simon (appointed 01 June 2015)	4,392	-	-	-
Andrew Gutmann (appointed 01 June 2015)	4,392	-	-	-
	<u>25,836</u>	<u>241,853</u>	<u>-</u>	<u>2,796</u>

#### Directors fee restructure:

As reported in previous year's financial statement, the Directors of the Company shall be paid 50% of their salary by the issue of new ordinary shares ("New Shares") in the Company in arrears at an implied monthly price equivalent to the volume weighted average price ("VWAP") of the Company's shares at the end of each relevant month. This structure was mutually agreed between the Company and the Directors as part of the cash-saving exercise implemented across the Group. The arrangements were to be with effect from 1 January 2014 and in respect of Gerard Holden from 1 May 2014.

As discussed in note 16, 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 31 March 2016. The value of these warrants/options is commensurate with the value of services provided to the Company.

Name	01 April 2015	Granted	Exercised	Lapsed/ Cancelled	31 March 2016
Brad Mills	4,700,000	-	-	-	4,700,000
Anton Mauve (resigned 1 June 2015)	4,700,000	-	-	(4,700,000)	-
Gerard Holden	2,350,000	-	-	-	2,350,000
<b>Totals</b>	<u>11,750,000</u>	<u>-</u>	<u>-</u>	<u>(4,700,000)</u>	<u>7,050,000</u>

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

	Number of Ordinary Shares	Percentage of Issued Capital
Brad Mills (note 19)	43,655,233	11.45%
Anton Mauve (Resigned 1 June 2015)	43,056,704	11.30%
James Mellon (note 19)	26,015,591	6.83%
Gerard Holden	142,869	0.04%

#### 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 year the Company incurred a total cost of £35,161 (2015: £91,527) under this agreement of which £51,689 was outstanding at end of the year (2015: £16,527).

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 19 Significant shareholdings

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

	At 31 March 2016		At 31 March 2015	
	Number of Ordinary Shares	Percentage of Total Issued Capital	Number of Ordinary Shares	Percentage of Total Issued Capital
Beaufort Nominees Limited <b>1</b>	<b>117,466,234</b>	<b>30.82%</b>	116,966,234	30.69%
Panetta Partners Limited	<b>57,559,775</b>	<b>15.10%</b>	57,559,775	15.10%
Bradford Mills <b>2</b>	<b>43,655,233</b>	<b>11.45%</b>	43,655,233	11.45%
Plinian Capital Limited	<b>42,496,856</b>	<b>11.15%</b>	42,496,856	11.15%
Rosy Mining Limited <b>3</b>	<b>35,889,079</b>	<b>9.42%</b>	35,889,079	9.42%
Regent Mercantile Holdings Limited	<b>32,672,906</b>	<b>8.57%</b>	32,672,906	8.57%
James Mellon <b>4</b>	<b>26,015,591</b>	<b>6.83%</b>	26,015,591	6.83%
Generation Resources Limited	<b>14,360,340</b>	<b>3.77%</b>	14,360,340	3.77%

#### Notes:

- This holding includes the shares held by Rosy Mining Limited (referenced below).
- Brad Mills' interest comprises 1,158,377 Shares that he owns directly; and a further 42,496,856 Shares that are owned by Plinian Capital Limited ("Plinian"), of which Brad Mills is the controlling shareholder, and includes 10,142,858 Shares that are owned by CE Mining Limited, which is 50 per cent. indirectly owned by Plinian.
- Rosy Mining Limited shares are held by Beaufort Nominees Limited.
- Includes 23,291,082 shares held by Galloway Limited and 1,844,825 Shares held by Burnbrae Limited, companies whereby Mr Mellon is considered to be the ultimate beneficial owner. The balance of James Mellon's shareholding (879,684 ) is held in Mr Mellon's own name

# West African Minerals Corporation

## Notes (continued)

forming an integral part of the consolidated financial statements for the year ended 31 March 2016

### 20 Basic and diluted loss per share

The calculation of total basic loss per share of the Group is based on the net loss attributable to shareholders for the year of £570,716 (2015: £5,574,717) and the weighted average number of shares outstanding of 381,157,838 (2015: 377,124,693).

The calculation of basic loss per share of the Group's continuing operations is based on the net loss attributable to shareholders for the year of £702,919 (2015: £1,009,162) and the weighted average number of shares outstanding of 381,157,838 (2015: 377,124,693).

Weighted average number of ordinary shares

	31 March 2016	31 March 2015
Issued ordinary shares at 01 April	<b>381,157,838</b>	376,737,123
Effect of shares issued to Directors	-	387,570
	<hr/>	<hr/>
Weighted average number of ordinary shares during the year	<b>381,157,838</b>	377,124,693
	<hr/> <hr/>	<hr/> <hr/>

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 31 March 2016 and 2015, there is no dilutive effect because the Group incurred net losses in both periods. Therefore, basic and diluted earnings per share are the same.

### 21 Commitments and contingent liabilities

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

### 22 Subsequent events

On the 12 August 2016 The Board of West African Minerals Corporation announced that the Company had appointed Beaufort Securities Limited as its sole corporate broker with immediate effect.