



## Sable Mining Afr.Ltd

# Interim Results

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 Sable Mining Africa Limited  
 22 December 2015

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22 December 2015

### Sable Mining Africa Ltd ('Sable' or 'the Company') Interim Results

Sable Mining Africa Ltd, the AIM listed company focused in the mining sector in sub-Saharan Africa, announces its results for the six months ended 30 September 2015.

Sable Mining Chief Executive Andrew Groves said, "Due to shifting commodity demand fundamentals, during the six months ended 30 September 2015 we focussed on ensuring prudent allocation of resources, enabling us to reduce capital outlay. During the period we signed an important Memorandum of Understanding with CITIC Construction Co., Ltd relating to the development of a coal fired power plant at our Lubu coal project and finalised certain key technical studies relating to our Nimba project. We remain convinced that there remains future value in Nimba and are constantly evaluating options to ensure that maximum value accrues to our shareholders. Whilst we operate in this uncertain and depressed environment we are also evaluating additional projects that have potential to generate shareholder value."

#### Chairman's Statement

Sable Mining's current project portfolio covers two commodities, iron ore and coal. Whilst the resource sector has been hit by unparalleled turbulence in recent times, the Company has continued to look to add value to its iron ore and coal assets, further advancing the Nimba Iron Ore Project in South East Guinea ('Nimba') toward full feasibility and signing a development agreement relating to its coal assets in Zimbabwe. However, the Board is conscious that the current price environment for its commodity portfolio is not favourable. The Board is therefore reviewing activities to suit the current environment and to ensure that the existing cash is deployed in a manner consistent with current global trends.

Nimba was discovered by the Company's geologists in early 2012 and has been proven to be a high-grade, low-capital intensity asset. That said and as investors will be very well aware, the appetite for iron ore development projects has waned over the past two years, and there is reducing optimism for a near term recovery. Accordingly, during the period under review the Company has pursued certain key studies relating to Nimba in readiness for completion of a bankable feasibility study at the appropriate time, whilst ensuring that available funds are deployed in the most advantageous manner. As previously reported, during this period, where work is focussed on refining these necessary studies, our non-core workforce in country has been reduced to conserve funds pending an improvement in the macro-economic environment.

During the period, metallurgical testwork from analysis conducted on Plateau 2 was finished, thereby providing the basis for detailed mine scheduling, which demonstrated a potential life of mine of more than 20 years, with high and medium grade products (grades of 63.33% and 62.11% Fe were returned from the lump and fines product respectively, and the mechanical and thermal properties of the proposed premium lump were proven to be excellent). There remains potential upside from further exploration and development work at the additional two plateaux. Indeed, the mine scheduling completed suggests that in the right pricing environment, revenue could be generated from this initial mine site to support the continued development of the wider project, including Plateau 3 and the larger Plateau 1, which has, to date, been the subject of only limited reconnaissance drilling. With the current market conditions as they are, the timescales for completion of further studies are under evaluation and further updates will be provided in due course.

We maintain that Nimba has inherent future value, because of its unique combination of characteristics, namely favourable geology, metallurgy and access to infrastructure. Nimba has a current JORC Compliant Resource Estimate of 205.2 million tonnes ('Mt') at an average in-situ grade of 57.8% iron ('Fe') at a Fe cut-off of 40%, with 195.0Mt falling within the higher confidence Measured and Indicated category, which places it as one of the largest unexploited high grade iron ore deposits in Africa.

With regards to our coal interests, these are located in the Mid Karoo Zambezi coal basin in the established Hwange mining district of north-western Zimbabwe (being the Lubu Coal Project, which has an initial modelled in-situ seam tonnage of 786 million tonnes) and in the adjacent Lusulu area of the Kariba Coal Basin (being the Lubimbi Coal Project, which has a suggested in-situ tonnage of 550 million tonnes). With Zimbabwe and the wider southern Africa region experiencing a power deficit, Sable Mining has identified an opportunity to address the shortage as a potential coal producer and in respect of power plant development.

In September 2015, a Memorandum of Understanding was signed with CITIC Construction Co., Ltd ('CITIC'), a subsidiary of CITIC Group, a Chinese based construction and services provider with a view to developing a 600MW coal-fired power plant at the Company's Lubu Coal Project. Under the terms, Sable Mining and CITIC will explore the opportunities of using their respective expertise to work together to

develop a commercial coal-fired power station at Lubu, with the intention of using coal mined at the Company's Lubu Coal Project supplying the station.

Considering the very real problem of energy deficits in Southern Africa and the increasing importance placed on energy security worldwide, the Board believes that the development of a coal-fired power station in Zimbabwe would be a major step forward in tackling this crisis and one which would receive governmental support. The Company is currently evaluating opportunities to move forward with these development plans and will update the market in due course with further updates although at this stage it is difficult to provide a clear timetable with confidence.

#### Financial Review

Sable Mining is reporting for the six months ended 30 September 2015 a pre-tax loss on continuing activities of US\$1.27m (2014: pre-tax loss on continuing activities of US\$3.32m). As at 30 September 2015 cash balances were US\$5.0m (2014: US\$11.5m).

#### Outlook

The challenging market conditions currently facing the resource industry have meant that the Board has had to review and refine its development strategies during the period under review, including implementation of a cost reduction programme and reduction of capital outlays to ensure funds are effectively and strategically utilised. The Board continue to assess the best way to generate and maximise shareholder value both from its current asset base and other opportunities as they arise.

I would like to thank our shareholders for their continued support during this turbulent time in the resources market and look forward to providing further updates in due course.

Jim Cochrane  
Chairman  
21 December 2015

For further information please visit [www.sablemining.com](http://www.sablemining.com) or contact:

Andrew Groves	Sable Mining Africa Ltd	Tel: 020 7408 9200
David Foreman	Cantor Fitzgerald Europe	Tel: 020 7894 7000
Stewart Dickson	Cantor Fitzgerald Europe	Tel: 020 7894 7000
Richard Greenfield	GMP Securities	Tel: 020 7647 2836
Hugo de Salis	St Brides Partners Ltd	Tel: 020 7236 1177
Charlotte Heap	St Brides Partners Ltd	Tel: 020 7236 1177

#### Condensed Consolidated Income Statement For the six month period ended 30 September 2015

		Unaudited 6 months to 30 September 2015	Unaudited 6 months to 30 September 2014	Audited year to 31 March 2015
	Note	\$'000	\$'000	\$'000
<b>Continuing Operations</b>				
Operating expenses		(2,002)	(3,528)	(6,010)
Impairment of plant and equipment		-	-	-
Impairment of intangible assets		-	-	(6,511)
Impairment of other receivables		-	(28)	(70)
Operating loss		(2,002)	(3,556)	(12,591)
Other (losses)/gains	5	717	(106)	1,296
Net finance income/(cost)		11	344	58
Loss before taxation		(1,274)	(3,318)	(11,237)
Income tax charge		-	(2)	-
Loss for the period from continuing operations		(1,274)	(3,320)	(11,237)
<b>Discontinued Operations</b>				
Loss for the period from discontinued operations	6	(7,951)	(23)	(11)
Loss for the period		(9,225)	(3,343)	(11,248)
Loss for the period attributable to owners of the parent company		(8,891)	(3,146)	(10,339)
Loss for the period attributable to non-controlling interests		(334)	(197)	(909)
Loss for the period		(9,225)	(3,343)	(11,248)

Loss per share				
- Basic and diluted (cents)	8	(0.8 cents)	(0.3 cents)	(0.9 cents)
Loss per share from continuing operations				
- Basic and diluted (cents)	8	(0.1 cents)	(0.3 cents)	(0.9 cents)
Loss per share from discontinued operations				
- Basic and diluted (cents)	8	(0.7 cents)	(0 cents)	(0 cents)

**Condensed Consolidated Statement of Comprehensive Income**  
For the six month period ended 30 September 2015

	Unaudited 6 months to 30 September 2015 \$'000	Unaudited 6 months to 30 September 2014 \$'000	Audited year to 31 March 2015 \$'000
Foreign exchange translation differences	(699)	(35)	(1,184)
Other comprehensive loss for the period	(699)	(35)	(1,184)
Loss for the period	(9,225)	(3,343)	(11,248)
Total comprehensive loss for the period	(9,924)	(3,378)	(12,432)
Total comprehensive loss for the period attributable to owners of the parent company	(9,590)	(3,181)	(11,523)
Total comprehensive loss for the period attributable to non-controlling interests	(334)	(197)	(909)
	(9,924)	(3,378)	(12,432)

**Condensed Consolidated Balance Sheet**  
As at 30 September 2015

	Unaudited As at 30 September 2015 \$'000	Unaudited As at 30 September 2014 \$'000	Audited As at 31 March 2015 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	31,758	33,965	29,910
Property, plant and equipment	2,565	4,095	3,418
Finance asset investment	-	-	-
Loan receivable	-	-	-
Total non-current assets	34,323	38,060	33,328
<b>Current assets</b>			
Inventory	-	-	-
Trade and other receivables	1,109	646	1,021
Cash and cash equivalents	4,968	11,474	6,249
Total current assets	6,077	12,120	7,270
Disposal Group Assets	-	12,985	12,448
<b>Total assets</b>	<b>40,400</b>	<b>63,165</b>	<b>53,046</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	-	-	-
Deferred tax liability	-	-	-
Total non-current liabilities	-	-	-
<b>Current liabilities</b>			
Short-term borrowings	-	-	-
Trade and other payables	(1,321)	(2,564)	(1,640)
Total current liabilities	(1,321)	(2,564)	(1,640)
Disposal Group Liabilities	-	(11,485)	(11,379)
<b>Total liabilities</b>	<b>(1,321)</b>	<b>(14,049)</b>	<b>(13,019)</b>
<b>Net Assets</b>	<b>39,079</b>	<b>49,116</b>	<b>40,027</b>
<b>Equity</b>			
Issued share capital	274,754	274,754	274,754
Share based payment reserve	1,194	1,146	1,194
Warrant reserve	7,462	8,395	7,462
Translation reserve	(2,117)	(9,245)	(10,391)

Retained earnings	(242,702)	(227,474)	(233,811)
Total equity attributable to the owners of the parent company	38,591	47,576	39,208
Non-controlling interests	488	1,540	819
<b>Total Equity</b>	<b>39,079</b>	<b>49,116</b>	<b>40,027</b>

#### Condensed Consolidated Statement of Changes in Equity

	Share Capital \$'000	Share-based payment reserve \$'000	Warrant reserve	Translation reserve \$'000	Retained earnings \$'000	Total	Non-controlling interests \$'000	Total \$'000
<b>Balances at 01 April 2014</b>	<b>274,754</b>	<b>1,096</b>	<b>8,395</b>	<b>(9,207)</b>	<b>(224,405)</b>	<b>50,633</b>	<b>1,728</b>	<b>52,361</b>
Loss for 6 months to 30 September 2014	-	-	-	-	(3,146)	(3,146)	(197)	(3,343)
<b>Other comprehensive income</b>								
Exchange translation differences on foreign operations	-	-	-	(38)	77	39	9	48
Total comprehensive income for the period	-	-	-	(38)	(3,069)	(3,107)	(188)	(3,295)
<b>Transactions with owners</b>								
Share issues - warrants exercised	-	50	-	-	-	50	-	50
Share based payment charge	-	-	-	-	-	-	-	-
Total transactions with owners	-	50	-	-	-	50	-	50
<b>Balances at 30 September 2014</b>	<b>274,754</b>	<b>1,146</b>	<b>8,395</b>	<b>(9,245)</b>	<b>(227,474)</b>	<b>47,576</b>	<b>1,540</b>	<b>49,116</b>
Loss for 6 months to 31 March 2015	-	-	-	-	(6,337)	(6,337)	(721)	(7,058)
<b>Other comprehensive income</b>								
Exchange translation differences on foreign operations	-	-	-	(1,146)	-	(1,146)	-	(1,146)
Total comprehensive income for the period	-	-	-	(1,146)	(6,337)	(7,483)	(721)	(8,204)
<b>Transactions with owners</b>								
Share issues - warrants lapsed	-	-	(933)	-	-	(933)	-	(933)
Share issues - warrants exercised	-	48	-	-	-	48	-	48
Total transactions with owners	-	48	-	-	-	(885)	-	(885)
<b>Balance at 31 March 2015</b>	<b>274,754</b>	<b>1,194</b>	<b>7,462</b>	<b>(10,391)</b>	<b>(233,811)</b>	<b>39,208</b>	<b>819</b>	<b>40,027</b>
Loss for 6 months to 30 September 2015	-	-	-	-	(8,891)	(8,891)	(334)	(9,225)
<b>Other comprehensive income</b>								
Release from Translation Reserve on sale of foreign subsidiary	-	-	-	8,973	-	8,973	-	8,973
Exchange translation differences on foreign operations	-	-	-	(699)	-	(699)	3	(696)
Total comprehensive income for the period	-	-	-	8,274	(8,891)	(617)	(331)	(948)
<b>Balance at 30 September 2015</b>	<b>274,754</b>	<b>1,194</b>	<b>7,462</b>	<b>(2,117)</b>	<b>(242,702)</b>	<b>38,591</b>	<b>488</b>	<b>39,079</b>

#### Condensed Consolidated Statement of Cash Flows For the six months to 30 September 2015

	Unaudited 6 months to 30 September 2015 \$'000	Unaudited 6 months to 30 September 2014 \$'000	Audited year to 31 March 2015 \$'000
<b>OPERATING ACTIVITIES</b>			
Loss for the period from continuing operations before taxation	(1,274)	(3,318)	(11,248)
Adjustments for:			
- Depreciation of property, plant and equipment	465	381	1,077
- Amortisation of intangible assets	-	-	-
- Loss on foreign exchange	79	503	862
- Share based payment charge	-	50	98
- Net interest (income)/expense	(11)	(32)	(58)
- Other gains and losses	(717)	(106)	(1,296)
- Impairment of intangible assets	-	-	6,511
- Impairment of other receivables	-	28	70
Operating cash flow before movements in working capital	(1,458)	(2,494)	(3,984)

Working capital adjustments:			
- Decrease in receivables	(88)	25	(351)
- Decrease in payables	(319)	110	(1,125)
Cash used in operations	(1,865)	(2,359)	(5,460)
Finance cost	-	(32)	-
Interest received	-	-	-
Net cash used in continuing operating activity	(1,865)	(2,391)	(5,460)
Net cash used in discontinued operating activity	(62)	(81)	(98)
<b>Net cash used in operating activities</b>	<b>(1,927)</b>	<b>(2,472)</b>	<b>(5,558)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of intangible assets	(1,597)	(5,345)	(7,791)
Purchase of property, plant and equipment	-	(260)	(264)
Proceeds from disposal of property, plant and equipment	204	-	3
Proceeds from sale of subsidiaries, net of cash received	1,975	-	-
Decrease in loans and other long term receivables	-	(312)	-
Net cash used in investing in continuing activities	582	(5,917)	(8,052)
Net cash used in investing in discontinued activities	-	-	-
<b>Net cash used in investing activities</b>	<b>582</b>	<b>(5,917)</b>	<b>(8,052)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,345)</b>	<b>(8,389)</b>	<b>(13,610)</b>
Cash and cash equivalents at start of the period	6,249	20,075	20,075
Effect of foreign exchange rate changes	64	(212)	(216)
<b>Cash and cash equivalents at the end of the period</b>	<b>4,968</b>	<b>11,474</b>	<b>6,249</b>

## Notes to the Unaudited Interim Consolidated Financial Statements For the six months to 30 September 2015

### 1. General information

Sable Mining Africa Limited is incorporated in the British Virgin Islands under the British Virgin Islands Business Companies Act 2004. The address of the registered office is Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands. The Company was incorporated on 27 April 2007.

The Company is listed on the AIM Market of London Stock Exchange plc.

The unaudited interim consolidated financial statements for the six months ended 30 September 2015 were approved for issue by the board on 21 December 2015.

The figures for the six months ended 30 September 2015 and 30 September 2014 are unaudited and do not constitute full accounts. The comparative figures for the period ended 31 March 2015 are extracts from the annual report and do not constitute statutory accounts.

The interim consolidated financial statements have been prepared in US Dollars as this is the currency of the primary economic environment in which the Group operates.

### 2. Basis of preparation

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 March 2015 have been applied in the preparation of these interim condensed consolidated financial statements. These are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") and with those of the Standing Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the International Accounting Standards Board ("IASB"). References to "IFRS" hereafter should be construed as references to IFRSs as adopted by the EU.

### 3. Accounting policies

The accounting policies and methods of calculation adopted are consistent with those of the financial statements for the year ended 31 March 2015.

### 4. Segment reporting

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

	Exploration \$'000	Unallocated \$'000	Total \$'000
Period ending 30 September 2015			
Revenue	-	-	-

Segment results			
- Operating loss	(1,714)	(288)	(2,002)
- Other gains	23	694	717
- Net finance income	-	11	11
Loss before tax from continuing activities	(1,691)	417	(1,274)
Income tax charge	-	-	-
Loss for the year from continuing activities	(1,691)	417	(1,274)

	Exploration	Unallocated	Total
	\$'000	\$'000	\$'000

Period ending 30 September 2014

Revenue	-	-	-
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Segment results			
- Operating loss	(2,099)	(1,457)	(3,556)
- Other gains	623	(279)	344
- Net finance income	-	(106)	(106)
Loss before tax from continuing activities	(1,476)	(1,842)	(3,318)
Income tax charge	(2)	-	(2)
Loss for the year from continuing activities	(1,478)	(1,842)	(3,320)

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

	Exploration	Continuing	Discontinued	Group
	\$'000	Unallocated	Bio-energy	\$'000
		\$'000	\$'000	
2015				
Depreciation	464	1	-	465
2014				
Depreciation	381	-	-	381

The segment assets and liabilities at 30 September and the capital expenditure for the period then ended are as follows:

	Exploration	Continuing	Discontinued	Group
	\$'000	Unallocated	Bio-energy/DMC	\$'000
		\$'000	\$'000	
2015				
Assets	35,436	4,964	-	40,400
Liabilities	(762)	(110)	(449)	(1,321)
Capital Expenditure - Intangible assets	1,597	-	-	1,597
2014				
Assets	38,314	11,609	13,242	63,165
Liabilities	(2,310)	(254)	(11,485)	(14,049)
Capital Expenditure - Intangible assets	5,272	-	73	5,345

Segment assets comprise intangible assets, property, plant and equipment, trade and other receivables and cash and cash equivalents. Segment liabilities comprise operating liabilities.

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

<b>5. Other gains and losses</b>	Sept 2015	Sept 2014	Mar 2015
	\$'000	\$'000	\$'000
Foreign exchange (loss)/gain	85	(106)	(465)
Aircraft charter revenue	145	-	537
Loss on disposal of fixed assets	(204)	-	(3)
Disposal of subsidiary	691	-	-
Historic accruals and provisions written off	-	-	1,227
	717	(106)	1,296

The disposal of subsidiary relates to the sale of the Company's 60% shareholding in Salmec Limited in August 2015 for \$700k. The profit on disposal of \$691k was arrived at by deducting legal fees relating to the sale of \$6k and the \$3k net asset value of

Salmec at the time of sale.

## 6. Discontinued activities

The discontinued operation was as a result of the strategy to move away from the bio-ethanol related assets and this segment's trading results are included in the income statement as a single line below the loss after taxation from continuing operations. Foreign exchange movements relating to the bio-ethanol related assets resulted in a gain of \$293,000 during the year. However, this has been offset against the loss on the sale of Delta Mining Consolidated of \$8,244,000 (see below) to give a net loss for discontinued activities of \$7,951,000.

The asset held for sale that is listed as a single line item under discontinued operations in 2015 represents the Group's share in the loss of Delta Mining Consolidated Limited up to its sale in August 2015 and the loss generated by the sale. More information about the results of this disposal asset are given in Note 7.

The results for the discontinued operations are as follows:

	Sept 2015 \$'000	Sept 2014 \$'000	Mar 2014 \$'000
Operating expenditure	(7,951)	(23)	(11)
Operating loss	(7,951)	(23)	(11)
Loss before taxation	(7,951)	(23)	(11)
Taxation	-	-	-
Loss after taxation	(7,951)	(23)	(11)

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

There were cash outflows of \$62,000 from discontinued operations relating to DMC included in the consolidated statement of cash flows (Sept 2014: \$81,000).

## 7. Assets Held For Sale

### Assets of disposal group classified as held for sale

	Sept 2015 \$'000	Sept 2014 \$'000	Mar 2015 \$'000
Property, plant and equipment	-	-	-
Intangible Assets	-	11,532	10,818
Financial Asset Investment (see a)	-	1,134	1,129
Other current assets	-	319	501
Total	-	12,985	12,448

### Liabilities of disposal group classified as held for sale

Short term loans	-	(3,907)	(3,784)
Long term loans	-	(7,329)	(7,410)
Other current liabilities	-	(249)	(185)
Total	-	(11,485)	(11,379)

<b>Net Assets of disposal group classified as held for sale</b>	-	1,500	1,069
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The company entered into an agreement to sell its 63.5% shareholding in Delta Mining Consolidated Limited ('DMC') on 29 May 2014. Before completion could occur various consents had to be obtained from the South African Ministry of Mines and Reserve Bank. These consents were obtained in August 2015 and the sale went ahead for a cash consideration of \$1.281m. Consequently DMC was classified in the group accounts as an asset held for sale disposal group under discontinued operations until its sale.

In accordance with IFRS 5 the assets and liabilities of DMC were held at fair value less costs to sell. This means that whilst DMC was held in our books at \$219k at

the time of sale, as stated above, the Company actually received a cash consideration of \$1.281m when the deal completed. However, the Company recorded a nominal loss on the sale of its shares in DMC because of the release of accumulated foreign exchange losses of \$9m (previously held in the Foreign Exchange Translation Reserve) to the Income Statement.

The group has a contingent asset of \$18.5m (2014: \$18.5m) relating to the loan from Tanaka Investments Ltd to Delta Mining Consolidated Limited that will be repaid once the purchasers of DMC have the mine in operation. The loan will be repaid over a number of years based on a quasi-royalty per tonne produced model. The directors have not included this as an asset on the Balance Sheet due to the uncertainty over the timing of when the purchasers of DMC are likely to bring the Rietkuil Coal mine into operation.

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

	Sept 2015	Sept 2014	Mar 2015
	\$'000	\$'000	\$,000
<b>DMC</b>			
Other operating expenses	(771)	(9)	(651)
Loss before tax	(771)	(9)	(651)
Tax	-	-	220
Loss after tax	(771)	(9)	(431)
Realisation of historic foreign exchange losses	(8,973)	-	-
Net assets at date of sale	219	-	-
Sale proceeds	1,281	-	-
Lost on sale of subsidiary	(8,244)	-	-
<b>ProCana</b>			
Foreign exchange translation	293	(14)	420
<b>(Loss) for the year from asset held for sale</b>	<b>(7,951)</b>	<b>(23)</b>	<b>(11)</b>

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## 8. Loss per share

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

	Unaudited 6 months to 30 September 2015 \$'000	Unaudited 6 months to 30 September 2014 \$'000	Audited year to 31 March 2015 \$'000
<b>Loss</b>			
Loss for the purpose of basic loss per share (loss for the period attributable to owners of the parent company)	(8,891)	(3,146)	(10,339)
Loss for the purpose of basic loss per share on continuing activities (result for the period on continuing activities attributable to owners of the parent company)	(1,228)	(3,126)	(10,329)
Loss for the purpose of basic loss per share on discontinued activities (result for the period on discontinued activities attributable to owners of the parent company)	(7.663)	(20)	(10)

## Number of shares

Weighted average number of ordinary shares for the purposes of basic loss per share	1,108,627,584	1,108,473,474	1,108,627,584
Basic and diluted loss per share	(0.8 cents)	(0.3 cents)	(0.9 cents)
Basic and diluted loss per share on continuing activities	(0.1 cents)	(0.3 cents)	(0.9 cents)
Basic and diluted loss per share on discontinued activities	(0.7 cents)	(0.0 cents)	(0.0 cents)

No dilution arises as a result of the total loss and the loss on continuing activities for the period (2014: nil).

## 9. Share capital

	Ordinary shares of no par value Allotted and fully paid	
	Number	\$'000
At 30 September 2012	927,523,474	248,623
Issue of shares on exercise of warrants	500,000	175
At 31 March 2013	928,023,474	248,798
Issue of shares on exercise of warrants	450,000	14
At 31 September 2013	928,473,474	248,812
Issue of shares to fund Group activities	180,000,000	27,398
Less share issue costs	-	(1,456)
At 31 March 2014 and 30 September 2015	1,108,473,474	274,754

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

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

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

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

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

On 3 June 2013, 450,000 ordinary shares were issued pursuant to the exercise of warrants under the block admission dated 29 May 2012 with an exercise price of 2p. £9,000 cash was received for these shares.

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

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

#### Share Options

At 30 September 2015, the following options over ordinary shares of the Company had been granted and not yet exercised:

Date of Grant	Number of shares	Exercise price	Exercise period
17 March 2010	1,000,000	28p	17 March 2011 to 16 March 2016
01 September 2010	2,000,000	20p	01 September 2011 to 31 August 2016
01 October 2010	600,000	20p	01 October 2011 to 30 September 2016
01 October 2010	500,000	20p	01 October 2012 to 30 September 2017
01 May 2013	250,000	8p	1 May 2014 to 30 April 2019
20 January 2014	2,000,000	10p	20 January 2015 to 20 January 2020

#### Warrants

At 30 September 2015, the following warrants are in issue and have vested:

Date of grant	Number of shares	Exercise price	Exercise period
11 May 2011	15,000,000	2p	Until 10 December 2015
5 September 2012	2,000,000	2p	Until 10 December 2015
1 March 2012	5,000,000	2p	Until 10 December 2015
30 November 2012	4,000,000	2p	Until 10 December 2015
24 October 2013	5,000,000	2p	Until 10 December 2015
24 October 2013	2,000,000	2p	Until 10 December 2015

## 10. Share based payment

#### Equity-settled share option plan

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

At 30 September 2015, the following options over ordinary shares of the Company had been granted and not yet exercised:

Date of grant	Number of options	Weighted average Exercise price
Outstanding at 1 April 2014	12,100,000	21.5p
Granted during the period	2,250,000	9.8p
Lapsed during the period	(8,000,000)	21.3p
Outstanding at 30 September 2014	6,350,000	17.6p
Granted during the period	-	-
Lapsed during the period	-	-
Outstanding at 1 April 2015	6,350,000	17.6p
Granted during the period	-	-
Lapsed during the period	-	-
Outstanding at 30 September 2015	6,350,000	17.6p
Exercisable at 30 September 2015	6,350,000	17.6p
Exercisable at 31 March 2015	6,350,000	17.6p
Exercisable at 30 September 2015	6,350,000	17.6p

At 30 September 2015, the weighted average remaining contractual life of the options outstanding was 1.57 years (2014: 2.56 years)

#### Equity settled warrants

At 30 September 2015, the following warrants have been issued and remain unexercised:

Weighted average

Date of grant	Number of options	Exercise price
Outstanding at 1 April 2014	42,000,000	4.8p
Granted during the period	-	-
Exercised during the period	-	-
Outstanding at 30 September 2014	42,000,000	4.8p
Granted during the period	-	-
Lapsed during the period	(9,000,000)	15.2p
Outstanding at 1 April 2015	33,000,000	2.0p
Granted during the period	-	-
Exercised during the period	-	-
Outstanding at 30 September 2015	33,000,000	2.0p
Exercisable at 30 September 2015	33,000,000	2.0p
Exercisable at 31 March 2015	33,000,000	2.0p
Exercisable at 30 September 2014	42,000,000	4.8p

*Warrants not issued*

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

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

At 30 September 2015, the weighted average remaining contractual life of the warrants outstanding was 0.19 years (2014: 0.59 years).

The fair value of the options and warrants was determined using the Black-Scholes option pricing model using the following assumptions:

	2015	2014
Share price at the date of grant - options issued	-	-
Share price at the date of grant - warrants issued	10.38p	10.38p
Risk free interest rate	0.59%	0.59%
Annual dividend yield	Nil	Nil
Expected volatility	47.6%	47.6%
Expected period until exercise after vesting	3 years	3 years
Fair value at the date of grant - options	-	-
Fair value at the date of grant - warrants	8.441p	8.441p

Risk free interest rate is based on the 5 year gilt rate at the date of grant. Annual dividend yield is based on management's immediate intention to re-invest operating cash flows. Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous year. The expected period until exercise is based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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