

23 November 2015

**Kennedy Ventures plc**  
**("Kennedy Ventures" or "the Company")**  
**Preliminary results for the year ended 30 June 2015**

Kennedy Ventures plc which is focused on tantalite production in Namibia through its 75% holding in African Tantalum (Pty) Limited ("Aftan"), is pleased to announce its preliminary results for the year ended 30 June 2015.

**Highlights**

- Successful 75% acquisition of Aftan for a total consideration of R12m (£0.66m).
- Board and management team strengthened with the appointment of Peter Hibberd as Chief Executive Officer and Caroline McLeod as a Director.

*Post-period end*

- Completion of a long term offtake agreement for the full production from Aftan, with a major leading manufacturer of electronic components.
- Successful placing raising £1.4 million through the issue of 26,666,667 new ordinary shares at 5.25p per share to be used towards:
  - Bringing the Tantalite Valley Mine back into production.
  - Conducting due diligence on other potential tantalite projects.
  - Investment and general working capital.
- Aftan purchased the remaining 40% interest in the Tantalite Valley Project increasing Kennedy Venture's exposure to this valuable mine.
- Successful commissioning of Aftan's tantalite process plant in November 2015 within budget.

*Outlook*

- Sales to the Company's offtaker to commence in the final quarter of 2015.
- First phase of production is estimated to produce 5,000lbs Ta<sub>2</sub>O<sub>5</sub> per month in Q2 2016 whilst the second phase of the development will produce around 9,200lbs Ta<sub>2</sub>O<sub>5</sub> per month by mid-2017 as we ramp up production to an initial target of 10,500 tonnes per month.

**Peter Hibberd, CEO of Kennedy Ventures said:**

"We have made excellent progress over the year as we transform the Company into a material producer of tantalum, a rare and valuable metal used in the production of electronic components and alloys.

"We were delighted to announce at the beginning of November 2015 the successful commissioning of Aftan's tantalite process plant within budget and the production of tantalite has begun. This is a major milestone for the Company and we are confident that sales to our offtaker will commence in the final quarter of 2015.

"We remain focused on increasing production at Tantalite Valley to an initial target of 10,500 tonnes per month. Alongside this, we are excited by the number of opportunities within the broader tantalum field and continue to investigate these in our journey to become a leading, highly profitable producer of tantalum."

**ENDS**

The annual report and accounts will be sent to shareholders later today and will also be available on the Company's website at [www.kvplc.com](http://www.kvplc.com).

**For further information, please contact:**

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#### **Notes to editors**

Tantalite concentrates form the vast majority of feedstock for all tantalum products. As such they are critical and unreplaceable parts of a wide range of modern electronics including computers, tablets, mobile phones, motor components and video game systems.

Aside from electronics, tantalum has significant usage in super alloys, specialised steels, corrosion resistant equipment and medicine.

Tantalum's applications are based on its unique physio – chemical properties. The oxides and metal have extremely high melting points, high heat conductivity and strong resistance to corrosive environments. Combined, these factors have entrenched its international demand and made it an important component of numerous research projects and new technologies.

Trade pricing is following tantalum markets as per Asian Metals and Metal Pages.

In August 2012, the US Securities and Exchange Commission adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies reporting to the SEC to publicly disclose the origins of the tantalum they buy in order to restrict the use of conflict minerals that originated in the Democratic Republic of the Congo or an adjoining country. As a result, users of tantalum are encouraged to demonstrate that their supply chain is transparent to ensure that conflict-free tantalum is procured.

It is intended that the tantalum produced by Aftan will be conflict-free.

## **Chairman's Statement**

We have made excellent progress over the year as we transform the Company into a material producer of tantalum, a rare and valuable metal used in the production of electronic components and alloys.

The Company successfully acquired 75% of Aftan for a total consideration of R12m (£0.66m), R4m (£0.22m) of which was satisfied through the issue of 4,523,113 Ordinary Shares in Kennedy Ventures at a price of 4.9p per share and the remainder through a loan of R8m (£0.45m). Post period end, Aftan purchased the remaining 40% interest in the Tantalite Valley Project, enabling it to become the sole owners of operating companies and therefore increasing Kennedy Venture's exposure to this valuable mine.

In July 2015, we reached an important milestone following the completion of a long term offtake agreement with a major leading manufacturer of electronic components for the full production from Aftan, locking in to a contract that will provide the Company with a positive cash flow and positioning Kennedy Ventures as a Namibian based producer of tantalite.

Also in July we successfully raised £1.4 million through the issue of 26,666,667 new ordinary shares at 5.25p per share, with the proceeds to be used towards bringing the Tantalite Valley Mine back into production, the business into a position of being operational cash flow positive and conducting due diligence on other potential tantalite projects.

Post period end management has been focused on the resumption of mining activities at Tantalite Valley and we were delighted to announce at the beginning of November 2015 the successful commissioning of Aftan's tantalite process plant within budget. This is a major milestone for the Company and we are confident that sales to our offtaker will commence in the final quarter of 2015.

The mine is now virtually fully staffed, with a full water supply and has been restocked with additional spares to minimize any future mechanical downtime. It is expected that new underground production will be available for processing during the course of this month.

The first phase of production is estimated to produce 5,000lbs Ta<sub>2</sub>O<sub>5</sub> per month in Q2 2016 whilst the second phase of the development will produce around 9,200lbs Ta<sub>2</sub>O<sub>5</sub> per month by mid-2017 as we ramp up production to an initial target of 10,500 tonnes per month. We are encouraged to note that an independent study had confirmed that the estimated resource of the mine stands at 843,000t grading 490ppm Ta<sub>2</sub>O<sub>5</sub>.

Demand for tantalum is driven by the electronics and technology industries, where tantalum capacitors are used in nearly all electronic equipment and mobile devices. Furthermore, tantalum is used to produce super alloys that can be used to manufacture high temperature cutting tools. Tantalum is a conflict mineral and the Company remains committed to ensuring that the tantalum produced by Aftan will be conflict-free.

## **Financials**

The Company recorded a loss before tax of £219,000 and had cash balances of £26,000 at the end of the period. Kennedy Ventures continues to operate on a low-cost basis and incurred administrative expenses of £219,000 during the period. The Company does not plan to pay a dividend for the twelve months to 30 June 2015.

## **Board and management team**

The Board and management team has been strengthened with the appointment of Peter Hibberd as Chief Executive Officer and Caroline McLeod as a Director. Peter is a qualified geologist and mining engineer with extensive industry experience having held positions with major mining houses including De Beers and JCI and has been involved in numerous tantalite projects in South Africa, Namibia, Mozambique, DR Congo and Colombia. Caroline is a Namibian national and a lawyer, specialising in labour and mining. She has been a board member of Aftan for over five years.

Post period end Peter Redmond and Colin Weinberg resigned as Directors and we would like to thank them both for their hard work in the re-organisation of the Company.

### **Outlook**

Aside from the ramping up of production at Tantalite Valley, there appears to be a number of related opportunities within the broader tantalum field, both in terms of regional sourcing and downstream processing. We shall continue to investigate these opportunities for added shareholder value in the medium term.

Tantalite is a valuable commodity in a stable market and we are confident that Kennedy Ventures, with its long term offtake agreement in place, is on track to become a leading, highly profitable producer of tantalum in the near future.

**Giles Clarke**

Chairman

20 November 2015

**GROUP INCOME STATEMENT**  
Year to 30 June 2015

		Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
	Notes		
<b>Administrative expenses</b>			
Impairment of available for sale investments		-	(55)
Administrative expenses		(219)	(131)
<b>Operating loss and loss before tax</b>	6	(219)	(186)
Taxation	9	-	-
<b>Loss for the year and total comprehensive loss</b>		(219)	(186)
<b>Loss attributable to owners of the Company</b>		(199)	(186)
<b>Loss attributable to non-controlling interests</b>		(20)	-
		(219)	(186)
<b>Earnings per share attributable to owners of the Company</b>			
From continuing operations:			
Basic and diluted(pence)	10	(0.5)p	(0.5)p

The accounting policies and notes form an integral part of these financial statements.

**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
Year to 30 June 2015

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loss for the year	(219)	(186)
<b>Other comprehensive income:</b>		
Items that may be subsequently reclassified to profit and loss:		
Exchange differences on translation of foreign operations	(4)	-
Other comprehensive income/(expense) for the period	(4)	-
Total comprehensive loss for the year attributable to equity holders of the parent	(223)	(186)

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account.

The accounting policies and notes are an integral part of these financial statements

## GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2015

	Notes	GROUP		COMPANY	
		30 June 2015 £'000	30 June 2014 £'000	30 June 2015 £'000	30 June 2014 £'000
<b>Non-Current assets</b>					
Intangible assets	11	452	-	-	-
Property, plant and equipment	12	395	-	-	-
Investment in subsidiaries	13	-	-	758	-
Available for sale investments	14	-	22	-	22
		<b>847</b>	<b>22</b>	<b>758</b>	<b>22</b>
<b>Current assets</b>					
Trade and other receivables	15	13	10	10	10
Cash and cash equivalents	16	26	531	7	531
		<b>39</b>	<b>541</b>	<b>17</b>	<b>541</b>
<b>Current liabilities</b>					
Trade and other payables	17	98	85	87	85
Short term borrowings	18	142	-	142	-
		<b>240</b>	<b>85</b>	<b>229</b>	<b>85</b>
<b>Net assets</b>		<b>646</b>	<b>478</b>	<b>546</b>	<b>478</b>
<b>Equity</b>					
Share capital	19	763	711	763	711
Share premium account	19	7,849	7,673	7,849	7,673
Capital redemption reserve		2,077	2,077	2,077	2,077
Currency translation reserve		(4)	-	-	-
Retained earnings		(10,182)	(9,983)	(10,143)	(9,983)
Equity attributable to owners of the Company		<b>503</b>	<b>478</b>	<b>546</b>	<b>478</b>
Non-controlling interests		143	-	-	-
<b>Total equity</b>		<b>646</b>	<b>478</b>	<b>546</b>	<b>478</b>

These financial statements were approved by the Board of Directors on 20 November 2015.

The accounting policies and notes form an integral part of these financial statements

## GROUP STATEMENT OF CHANGES IN EQUITY Year to 30 June 2015

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Equity shareholders' funds £'000	Non- controlling interests £'000	Total £'000
<b>Balance at 1 July 2013</b>	<b>271</b>	<b>7,571</b>	<b>2,077</b>	-	<b>(9,820)</b>	<b>99</b>	-	<b>99</b>
Loss for the year and total comprehensive expense	-	-	-	-	(186)	(186)	-	(186)
Issue of share capital	440	110	-	-	-	550	-	550
Share issue costs	-	(8)	-	-	-	(8)	-	(8)
Share based payment	-	-	-	-	23	23	-	23
<b>Balance at 30 June 2014</b>	<b>711</b>	<b>7,673</b>	<b>2,077</b>	-	<b>(9,983)</b>	<b>478</b>	-	<b>478</b>
<b>Comprehensive income</b>								
Loss for the year	-	-	-	-	(199)	(199)	(20)	(219)
Other comprehensive income	-	-	-	(4)	-	(4)	-	(4)
Total comprehensive income	-	-	-	(4)	(199)	(203)	(20)	(223)
Issue of share capital	52	176	-	-	-	228	-	228
Acquisition of subsidiary undertakings	-	-	-	-	-	-	163	163
<b>Balance at 30 June 2015</b>	<b>763</b>	<b>7,849</b>	<b>2,077</b>	<b>(4)</b>	<b>(10,182)</b>	<b>503</b>	<b>143</b>	<b>646</b>

The accounting policies and notes form an integral part of these financial statements.

#### COMPANY STATEMENT OF CHANGES IN EQUITY Year to 30 June 2015

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 July 2013</b>	271	7,571	2,077	(9,820)	99
Loss for the financial period	-	-	-	(186)	(186)
Issue of share capital	440	110	-	-	550
Share issue costs	-	(8)	-	-	(8)
Share based payment expense	-	-	-	23	23
<b>Balance at 30 June 2014</b>	<b>711</b>	<b>7,673</b>	<b>2,077</b>	<b>(9,983)</b>	<b>478</b>
Total comprehensive expense for the year	-	-	-	(160)	(160)
Issue of share capital	52	176	-	-	228
<b>Balance at 30 June 2015</b>	<b>763</b>	<b>7,849</b>	<b>2,077</b>	<b>(10,143)</b>	<b>546</b>

The accounting policies and notes form an integral part of these financial statements.

**GROUP AND COMPANY STATEMENTS OF CASH FLOWS**  
**Year to 30 June 2015**

	Notes	GROUP		COMPANY	
		Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
<b>OPERATING ACTIVITIES</b>					
Net cash used in operating activities	24	(186)	(67)	(137)	(67)
<b>INVESTING ACTIVITIES</b>					
Loans to subsidiary undertakings		-	-	(536)	-
Acquisition of subsidiary undertakings		(464)	-	-	-
Net cash used in investing activities		(464)	-	(536)	-
<b>FINANCING ACTIVITIES</b>					
Net proceeds from share issues		7	542	7	542
Loans from associates		142	-	142	-
Repayment of loan notes		-	(150)	-	(150)
Net cash from financing activities		149	392	149	392
Net (decrease)/increase in cash and cash equivalents		(501)	325	(524)	325
Exchange rate translation adjustment		(4)	-	-	-
Cash and cash equivalents at beginning of year		531	206	531	206
<b>Cash and cash equivalents at end of year</b>	<b>16</b>	<b>26</b>	<b>531</b>	<b>7</b>	<b>531</b>

The accounting policies and notes are an integral part of these financial statements.

**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**Year to 30 June 2015**

**1 GENERAL INFORMATION**

Kennedy Ventures Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The nature of the Group's operations and its principal activities are set out in the Strategic Report and the Directors' Report.

**2 STATEMENT OF COMPLIANCE**

The financial statements have been prepared and approved by the Directors in accordance with all relevant IFRSs as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee, endorsed by the European Union ("EU").

At the date of authorisation of this document, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue, but not yet effective:

- IFRS 9 Financial Instruments
- IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations
- IFRS 14 Regulatory Deferral accounts
- IFRS 15 Revenue from Contracts with Customers

- IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 19 (amendments) Defined Benefit Plans: Employee Contributions
- IAS 27 (amendments) Equity Method in Separate Financial Statements
- IAS 1 (amendments) Disclosure initiatives
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements to IFRSs: 2010-2012 cycle
- Annual Improvements to IFRSs: 2011-2013 cycle
- Annual Improvements to IFRSs: 2012-2014 Cycle

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods, although they have yet to complete their full assessment in relation to the impact of IFRS 9 and IFRS 15.

### **3 ACCOUNTING POLICIES**

The principal accounting policies adopted and applied in the preparation of the Group and Company Financial statements are set out below.

These have been consistently applied to all the years presented unless otherwise stated:

#### **BASIS OF ACCOUNTING**

The consolidated financial statements are prepared in accordance with applicable International Financial Reporting Standards (“IFRS”) including standards and interpretations issued by the International Accounting Standards Board as adopted by the EU.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

#### **GOING CONCERN**

The financial statements have been prepared on the going concern basis.

The Directors have prepared cash flow forecasts to 31 December 2016, which show that the Company will have sufficient available cash resources to provide for its future requirements. In preparing their forecasts the Directors have given due regard to the risks and uncertainties affecting the business as set out in the Strategic report.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company’s financial statements.

#### **BASIS OF CONSOLIDATION**

The Group’s consolidated financial statements incorporate the financial statements of Kennedy Ventures Plc (the “Company”) and entities controlled by the Company (its subsidiaries). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

## BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the acquisition method under IFRS 3. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Acquisition costs are expensed as incurred.

## GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition and is included as a non-current asset.

Goodwill is tested annually, or more regularly should the need arise, for impairment and is carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

In accordance with IAS 36 the Group values Goodwill at the lower of its carrying value or its recoverable amount, where the recoverable amount is the higher of the value if sold and its value in use. In addition IAS38 requires intangible assets with finite useful lives to follow the same impairment testing as Goodwill including the use of value in use calculations.

## AVAILABLE FOR SALE INVESTMENTS

All investments are classified as available for sale investments on initial recognition. Investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date or the last traded price, depending on the convention of the exchange on which the investment is quoted, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price or net asset value.

Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

The Company assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets classified as available for sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset classified as available for sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment

The Company determines the fair value of its Investments based on the following hierarchy:

LEVEL 1 – Where financial instruments are traded in active financial markets, fair value is determined by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur in significant frequency and volume to provide pricing information on an on-going basis.

LEVEL 2 – If there is no active market, fair value is established using valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable market data including recent arm's length market transactions, and comparisons to the current fair value of similar instruments; but where this is not feasible, inputs such as liquidity risk, credit risk and volatility are used

LEVEL 3 – Valuations in this level are those with inputs that are not based on observable market data.

## FOREIGN CURRENCIES

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency for the Group financial statements.

In preparing the financial statement of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the year end date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting Group financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the year end date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

## TAXATION

The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are recorded at cost, less depreciation, less any amount adjustments for impairment, if any.

Significant improvements are capitalised, provided they qualify for recognition as assets. The costs of maintenance, repairs and minor improvements are expensed when incurred.

Tangible assets retired or withdrawn from service are removed from the balance sheet together with the related accumulated depreciation. Any profit or loss resulting from such an operation is included in the income statement.

Tangible and intangible assets are depreciated on straight-line method based on the estimated useful lives from the time they are put into operations, so that the cost diminished over the lifetime of consideration to estimated residual value as follows:

Land and buildings – Over 15 years

Plant and equipment– Between 5 and 10 years

#### IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS EXCLUDING GOODWILL

Assets that have an indefinite useful life are not subject to amortisation but are reviewed for impairment annually and where there are indications that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount.

#### TRADE RECEIVABLES, LOANS AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets and are measured at amortised cost less an allowance for any uncollectible amounts. The net of these balances are classified as “trade and other receivables” in the balance sheet.

Trade and other receivables are assessed for indicators of impairment at each balance sheet date and are impaired where there is objective evidence that the recovery of the receivable is in doubt.

Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

Loans and receivables, as categorised above, are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, deposits at call with banks, other short-term highly liquid investments with original maturity at acquisition of three months or less that are readily convertible to cash, net of bank overdrafts. For the purpose of the cash flow statement, cash and cash equivalents consist of the definition outlined above.

#### FINANCIAL LIABILITIES

All non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities consist of borrowings and trade and other payables.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### OTHER FINANCIAL LIABILITIES, BANK AND SHORT TERM BORROWINGS

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Other financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### EQUITY INSTRUMENTS INCLUDING SHARE CAPITAL

Equity instruments consist of the Company’s ordinary share capital and are recorded at the proceeds received, net of direct issue costs.

#### SEGMENTAL ANALYSIS

Under IFRS 8 operating segments are considered to be components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. The Company’s chief operating decision maker is the Board of Directors. At present, and for the period under review, the Company’s sole reporting segment is the tantalite mining operation in Namibia.

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The carrying value of assets is determined based on their fair value as supported by a management valuation less costs to sell. This estimate and assumption can present a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

The valuation of the options involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 15. The estimate and assumptions could materially affect the Income Statement.

## 5 SEGMENTAL REPORTING

The business consists of a single investment activity being the tantalite mining operation in Namibia. As a result the segmental financial information is the same as that set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows.

## 6 OPERATING LOSS

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loss for the period has been arrived at after charging:		
Staff costs as per Note 8 below	47	40
Auditors remuneration	15	9

## 7 AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Fees payable to the Group's auditors for the audit of the Group's annual accounts	15	8
Total audit fees	15	8
Fees payable to the Group auditor and their associates for other services to the Group:		
Tax services	1	1
	<b>16</b>	<b>9</b>

## 8 STAFF COSTS

The average monthly number of employees (including executive directors) for the continuing operations was:

	Year ended 30 June 2015 Number	Year ended 30 June 2014 Number
Group total staff	5	4

	£'000	£'000
Wages and salaries	20	37
Directors' compensation for loss of office	24	-
Social security costs	3	3
	<b>47</b>	<b>40</b>

#### DIRECTORS' EMOLUMENTS

An analysis of the directors' emoluments and pension entitlements and their interest in the share capital of the Company is contained in the Report of the Board on remuneration accompanying these financial statements.

## 9 TAXATION

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loss on continuing operations before tax	(219)	(186)
Tax at the UK corporation tax rate of 20% (2014: 21.5%)	(44)	(40)
Effects of:		
Effect of unrealised investment losses not deductible for tax purposes	-	12
Expenses not deductible for tax purposes	5	2
Unutilised tax losses carried forward	39	26
Tax charge for period	-	-

The total taxation charge in future periods will be affected by any changes to the corporation tax rates in force in the countries in which the Group operates.

## 10 LOSS PER SHARE

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

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loss for the financial period	(219)	(186)
Loss for the year attributable to owners of the Company	(199)	(186)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings*	43,084,226	38,791,151
LOSS PER SHARE (PENCE PER SHARE) BASIC AND FULLY DILUTED*: - from continuing and total operations	<b>(0.5)</b>	<b>(0.5)</b>

The Company has outstanding warrants and options as disclosed under Note 20 which may be dilutive in future periods. The effect in respect of the current year would have been anti-dilutive (reducing the loss per share) and accordingly is not presented.

## 11 INTANGIBLE ASSETS

	Goodwill £'000	Mining licences £'000	2015 £'000
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At 1 July 2013 and 2014	-	-	-
Arising on acquisition of African Tantalum (Pty) Ltd	442	10	452
<b>At 30 June 2015</b>	<b>442</b>	<b>10</b>	<b>452</b>

During the year goodwill has arisen on the acquisition of Namibia Tantalite Investments (Pty) Ltd (“NTI”) and Tameka Shelf Company Four (Pty) Ltd (“TSC”) by African Tantalum (Pty) Ltd (“Aftan”) and on the acquisition of African Tantalum (Pty) Ltd by the Company.

The Directors have reviewed the carrying value of Goodwill at 30 June 2015 and consider that no impairment provision is required. The Impairment review involved calculating the NPV of the Group’s cash generating assets. The NPV calculation involved using the discounted cash flow forecast model based on current and expected production results. As a result of carrying out this impairment testing review the Directors considered that there was no need for any impairment of the carrying value of the goodwill.

The Directors continue to review goodwill on an on-going basis and where necessary in future periods will request external valuations to further support the valuation basis.

## 12 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings £’000	Plant & equipment £’000	Total £’000
<b>Cost</b>			
At 1 July 2013 and 2014	-	-	-
On acquisition of African Tantalum (Pty) Ltd	125	270	395
Cost at 30 June 2015	125	270	395
<b>Depreciation</b>			
At 1 July 2013 and 2014	-	-	-
Charge for the year	-	-	-
Depreciation at 30 June 2015	-	-	-
<b>Net book value at 30 June 2015</b>	<b>125</b>	<b>270</b>	<b>395</b>
Net book value at 30 June 2014	-	-	-

On acquisition of African Tantalum (Pty) Ltd the Company carried out a review of the fair value of each of the separately identifiable assets within property, plant and equipment. The above table includes those assets at their revalued amounts.

## 13 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company invests in its subsidiary and associated undertakings

COMPANY	2015 £’000	2014 £’000
Cost and net book value		
At 1 July	-	-
Acquisition of African Tantalum (Pty) Ltd	686	-
Additional advances to African Tantalum (Pty) Ltd	72	-
<b>As at 30 June</b>	<b>758</b>	-

All principal subsidiaries of the Group are consolidated into the financial statements. At 30 June 2015 the subsidiaries were as follows:

Subsidiary undertakings	Country of registration	Principal activity	Holding	%
African Tantalum (Pty) Ltd	Namibia	Intermediate holding company	Ordinary shares	75
*Namibia Tantalite Investments (Pty) Ltd	Namibia	Tantalite mining	Ordinary shares	60
*Tameka Shelf Company Four (Pty) Ltd	Namibia	Mining licence holder	Ordinary shares	60

\*Held through subsidiary undertaking.

The following table summarises the movement in the investments made by the Company in subsidiary undertakings, as above:

COMPANY	2015 £'000	2014 £'000
At 1 July	-	-
Shares issued in respect of acquisition of Aftan	222	-
Loan to Aftan	536	-
<b>As at 30 June</b>	<b>758</b>	<b>-</b>

#### 14 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Balance brought forward	22	77	22	77
Disposals	(22)	-	(22)	-
Provision for impairment	-	(55)	-	(55)
<b>Balance carried forward</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>22</b>
Categorised as:				
Level 3 – Unquoted investments	-	22	-	22

#### 15 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Other receivables	7	5	4	5
Prepayments and accrued income	6	5	6	5
	<b>13</b>	<b>10</b>	<b>10</b>	<b>10</b>

The Directors consider the carrying amount of intercompany loans and other receivables approximates to their fair value.

#### 16 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Cash and cash equivalents	26	531	7	531

##### Credit risk

The Company's principal financial assets are bank balances and cash and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

#### 17 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade payables	44	46	36	46
Other payables	3	22	-	22

Accruals	51	17	51	17
	98	85	87	85

The Directors consider the carrying amount of trade payables approximates to their fair value.

## 18 SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Westleigh Investments Holdings Ltd loan	142	-	142	-
	142	-	142	-

On 13 November 2014 the Company agreed a £200,000 loan facility, under which the Company had drawn down £142,000 at the year end. See note 26, Related party transactions, for further details.

Subsequent to the year end, in July 2015, the loan was repaid, £42,000 in cash and £100,000 through the issue of shares.

## 19 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value £'000	Share premium £'000
ISSUED AND FULLY PAID:			
At 30 June 2013, shares of 1p each	27,098,000	271	7,571
Share issue	44,000,000	440	110
Share issue expenses	-	-	(8)
At 30 June 2014, shares of 1p each	71,098,000	711	7,673
<b>Share issues</b>	<b>5,211,748</b>	<b>52</b>	<b>176</b>
<b>At 30 June 2015</b>	<b>76,309,748</b>	<b>763</b>	<b>7,849</b>

### Share issues

On 2 February 2015, the Company issued 4,523,113 ordinary shares of 1p each at 4.9p per share in respect of the acquisition of African Tantalum (Pty) Ltd.

On 25 March 2015 the Company issued 688,635 ordinary shares of 1p each at par on the exercise of options.

## 20 SHARE-BASED PAYMENTS

### Equity-settled share option scheme

The Company operates share-based payment arrangements to incentivise directors by the grant of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 25 March 2014 the Board resolved to grant options over up to 8,531,760 new ordinary shares exercisable at 1.25p per share and granted 1,599,705 such options each to G Clarke and N Harrison. The options are exercisable at any time up to 25 March 2018.

The significant inputs to the model in respect of the options granted were as follows:

Share price at date of grant	1.50 pence
Exercise price	1.25 pence
No. of share options	3,199,410
Expected volatility	50%
Option life	4 years
Risk free rate	2.5%
Calculated fair value per share	0.517 pence

The total share-based payment expense recognised in the income statement for the year ended 30 June 2015 in respect of the share options granted was £nil (2014: £22,582).

Number of options at 1 July 2014	Issued in the year	Exercised in the year	Number of options at 30 June 2015	Exercise price	Vesting Date	Expiry date
3,199,410	-	-	3,199,410	1.25p	25.03.2014	25.03.2018

## 21 ACQUISITION OF SUBSIDIARY UNDERTAKINGS

On 2 February 2015 the Company completed the acquisition of 75% of African Tantalum (Pty) Ltd, which simultaneously completed its acquisition of 60% of Namibia Tantalite Investments (Pty) Ltd ("NTI") and Tameka Shelf Company Four (Pty) Ltd. The net assets acquired in these two transactions are summarised below:

Net assets acquired:	Book value £'000	Fair value adjustments £'000	Fair value £'000
Property, plant and equipment	-	395	395
Intangible assets	-	10	10
Trade and other receivables	2	-	2
	2	405	407
Non-controlling interest			(163)
Goodwill			442
Total consideration			<b>686</b>
Satisfied by:			
Cash			454
Issue of 4,523,113 shares at 4.9p per share			221
Directly attributable costs			11
			<b>686</b>

## 22 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise borrowings, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

### FINANCIAL ASSETS BY CATEGORY

The IAS 39 categories of financial assets included in the Statement of financial position and the headings in which they are included are as follows:

	2015 £'000	2014 £'000
Financial assets:		
Cash and cash equivalents	26	531
Available for sale investments	-	22
Loans and receivables	7	5
	<b>33</b>	<b>558</b>

### FINANCIAL LIABILITIES BY CATEGORY

The IAS 39 categories of financial liability included in the Statement of financial position and the headings in which they are included are as follows:

	2015 £'000	2014 £'000
Financial liabilities at amortised cost:		

Trade and other payables	47	68
Short term borrowings	142	-
	189	68

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest repayment date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000
30 June 2015					
Non-interest bearing:					
Trade and other payables	-	47	-	-	-
Short term borrowings	-	142	-	-	-
30 June 2014					
Non-interest bearing:					
Trade and other payables	-	68	-	-	-
Short term borrowings	-	-	-	-	-

## 23 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The main risks the Group are exposed to through its financial instruments and the operations of the Group are credit risk, foreign currency risk, liquidity risk and market price risk. These risks are managed by the Group's finance function together with the Board of Directors.

### Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

### Credit risk

The Group's financial instruments, which are subject to credit risk, are cash and cash equivalents. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Group's maximum exposure to credit risk is £26,000 (2014: £531,000) comprising cash and cash equivalents.

### Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through maintaining a positive cash balance and controlling expenses and commitments. The Directors are confident that adequate resources exist to finance current operations.

### Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Following the acquisition of African Tantalum (Pty) Ltd. Ltd, the Group's major activity is now in Namibia, bringing exposure to the exchange rate fluctuations of GBP/£ Sterling with the Namibian Dollars and South African Rand, the currencies in which most of the operating costs are denominated. At the year end the value of assets denominated in these currencies was such

that the resulting exposure to exchange rate fluctuations was not material to the Group's operations. Going forwards the Group is exposed to the US\$ as it has entered into an off-take agreement for the major part of its production, priced in US\$.

Exchange rate exposures are managed within approved policy parameters. The Group has not entered into forward exchange contracts to mitigate the exposure to foreign currency risk.

The Directors consider the assets most susceptible to foreign currency movements to be the Investment in Subsidiaries. Although these investments are denominated in Namibian Dollars their value is dependent on the global market value of the available Tantalite resources.

#### Market Price risk

Going forwards the Group's exposure to market price risk mainly arises from potential movements in the market price of Tantalite. The Group is managing this price risk by completing a fixed price off-take agreement in respect of the major part of its planned production.

## 24 NOTES TO THE CASHFLOW STATEMENT

	GROUP		COMPANY	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
<b>Operating loss</b>	<b>(219)</b>	(186)	<b>(160)</b>	(186)
Fair value movements in investments	-	55	-	55
Share based payment expense	-	23	-	23
<b>Operating cash flows before movement in working capital</b>	<b>(219)</b>		<b>(160)</b>	
		(108)		(108)
(Increase)/decrease in receivables	<b>(3)</b>	15	-	15
Increase in payables	<b>36</b>	26	<b>23</b>	26
<b>Net cash used in operating activities</b>	<b>(186)</b>	(67)	<b>(137)</b>	(67)

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and other short term, highly liquid investments with a maturity of three months or less.

## 25 EVENTS AFTER THE REPORTING PERIOD

On 8 July 2015 the Company announced that it had raised £1.4 million before expenses through the placing of 26,666,667 new ordinary shares in the Company at a price of 5.25p per share. The proceeds of the placing will be used to bring the Tantalite Valley Mine back into production, to conduct due diligence on other potential tantalite projects, and for investment and general working capital purposes.

On 16 July 2015, under the Company's option scheme 1,599,705 options were granted, each to Giles Clarke and Nick Harrison, exercisable at 1.25p per share, and 1,066,470 options were granted to each of Peter Redmond and Colin Weinberg on the same terms.

It was agreed that in respect unsecured loan from Westleigh Investment Holdings Limited ("WIHL") for £142,000, £100,000 of the loan facility would be repaid by the issue to WIHL of 1,904,762 ordinary shares of 1p at 5.25p per share, and the balance of £42,000 would be repaid in cash from the proceeds of the recent share placing.

It was announced that Peter Redmond and Colin Weinberg had agreed to convert accrued fees amounting to £10,000 each into new ordinary shares of 1p at 5.25p per share, resulting in the issue of 380,952 new ordinary shares.

On 24 July 2015 the Company agreed to make a conditional award of 1,400,000 ordinary shares of 1p each to Peter Hibberd. The shares granted under the award will be issued as certain performance criteria are met, including inter alia the completion of the initial shipments of tantalite pursuant to its recent off-take agreement and the on-going profitability of the Company.

On 1 September 2015 the Company announced that it had entered into a purchase agreement with Magnum Mining and Exploration Limited to acquire the remaining 40% interest in the Tantalite Valley Project in Namibia for a cash consideration of ZAR 7 million (c. GBP 0.35million).

## 26 RELATED PARTY TRANSACTIONS

The remuneration of the Directors, who are the key management personnel of the Company, is set out in the report of the Board on remuneration accompanying these financial statements.

During the year the Company was in receipt of an interest free loan from Westleigh Investment Holdings Ltd (“WIHL”) for £142,000. Subsequent to the year end it was agreed that this loan would be repaid, £42,000 in cash and £100,000 through the issue of shares. Also during the year WIHL received £12,500 in respect of accounting services provided to the Company. WIHL is a substantial shareholder in the Company and is controlled by Giles Clarke and Nick Harrison.

There have been no other material transactions with related parties.

## **27 OPERATING LEASES**

The Group has an operating lease over the land for which it has a mining licence which endures until the mining operations permanently cease. The rent is approximately £150 per annum.

## **28 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

There were no capital commitments authorised by the Directors or contracted for at 30 June 2015 (2014: £nil).

## **29 ULTIMATE CONTROLLING PARTY**

The Directors do not consider there to be one single ultimate controlling party.