THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or as to what action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 (''FSMA''), who specialises in advising on the acquisition of shares and other securities if you are resident in the UK, or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your registered holding of ordinary shares of no par value in the capital of the Company (the ''**Ordinary Shares**''), please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold only part of your holding of Ordinary Shares, please contact the bank, stockbroker or other agent through whom or by whom the sale or transfer was made immediately.

This document comprises a prospectus relating to OKYO Pharma Limited (the ''**Company**'') prepared in accordance with the prospectus rules of the United Kingdom Financial Conduct Authority (the ''**FCA**'') made under section 73A of FSMA (the ''**Prospectus Rules**'') and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the FCA for all of the Ordinary Shares to be admitted to listing on the standard segment (''**Standard Listing**'') of the Official List (the ''**Official List**'') maintained by the FCA in its capacity as competent authority under FSMA (the ''**UK Listing Authority**'' or ''**UKLA**'') under Chapter 14 of the listing rules made by the FCA under section 73A of FSMA (the ''**Listing Rules**'') and to trading on the main market for listed securities (the ''**Main Market**'') of the London Stock Exchange plc (the ''**London Stock Exchange**'') (together, ''**Admission**'').

It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8:00 a.m. on 17 July 2018.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN *PART II – RISK FACTORS* OF THIS DOCUMENT.

The directors, whose names appear on page 40 of this document (the ''**Directors**''), and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

OKYO PHARMA LIMITED

(Incorporated and registered in Guernsey with registered number 65220)

OKYO PHARMA

Admission of 523,395,417 Ordinary Shares to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange

Broker

Stockdale

Share capital at Admission

	Number
Issued and fully paid Ordinary Shares of no par value	523,595,417

Stockdale Securities Limited (the ''**Broker**''), which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of the Broker or for advising any other person in respect of Admission or

any transaction, matter or arrangement referred to in this document. No representation or warranty, express or implied, is made by the Broker, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

The Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. There will be no public offer of Ordinary Shares in any jurisdiction.

The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merits of Ordinary Shares or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

A Standard Listing will afford investors in the Company a lower level of regulatory protection then that afforded to investors in companies with listings on the premium segment of the Official List under Chapter 6 of the Listing Rules ("**Premium Listing**"), which are subject to additional obligations under Listing Rules.

CONTENTS

PART I – SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
A.1	Warning to investors	This summary should be read as an introduction to this document. Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. There will be no sale or placement of securities nor any resale or final placement of securities by financial intermediaries.

Section B – the Issuer		
B.1	Legal and commercial name	The legal and commercial name of the issuer is OKYO Pharma Limited.
B.2	Domicile and legal form	The Company was incorporated in the British Virgin Islands as a British Virgin Islands Business Company ("**BVIBC**") on 4 July 2007 under the BVI Business Companies Act with company number 1415559 under the name Jellon Enterprises Inc. The legal and commercial name of the Company was changed to Minor Metals & Mining Inc. on 24 October 2007, to Emerging Metals Limited on 28 November 2007, to West African Minerals Corporation on 9 December 2011, and to OKYO Pharma Corporation on 10 January 2018. On 3 July 2018 following Shareholder approval and the approval of the Guernsey Companies Registry, the Company was registered under the Guernsey Companies Law under the name OKYO Pharma Limited, as a Guernsey company with limited liability and an indefinite life. The Company will become subject to the Takeover Code on Admission.
B.3	Current operations/ principal activities and markets	*Introduction* The Company originally listed on AIM on 1 July 2008. The Company became an investing company for the purposes of the AIM Rules for Companies on 19 July 2010 with an investing policy approved by

		Shareholders on 8 April 2011 and a strategic objective to acquire holdings in natural resources companies and/or physical resource assets. On 9 January 2012, the Company acquired the entire issued share capital of Ferrum Resources Limited and raised £3.25m to pursue opportunities in iron ore development in Sierra Leone and Cameroon. On 10 January 2018, the Company disposed of its remaining operations in Cameroon by way of an *in specie* distribution of all of its shares in Ferrum to Shareholders and became a Rule 15 AIM investing company. The listing of the Company's shares on AIM was cancelled on 23 March 2018. On 10 January 2018, the Company changed its name to OKYO Pharma Corporation and adopted a bespoke investing policy to create a diversified portfolio of meaningful direct and indirect interests in life science and biotechnology opportunities. On 21 February 2018, the Company announced that it had identified an opportunity to obtain (via assignment from Panetta) a licence from On Target Therapeutics LLC and a sub-licence from Tufts Medical Center Inc. of the right to exploit all of the intellectual property relating to rights claimed on patent WO2017014605, being claims in composition of matter and methodology for treating, *inter alia*, ocular inflammation, dry eye disease ("**DED**") and ocular neuropathic pain with Chemerin or a fragment of analog thereof and a lipid entity linked to the Chemerin or fragment or analog thereof (the "**Chemerin Project**"). The proposed Chemerin Acquisition was classified as a reverse takeover for the purposes of the AIM Rules for Companies. On 1 May 2018, the Company acquired the benefit of a licence from Tufts Medical Center Inc. of the right to exploit all of the intellectual property relating to the development of the endogenous peptide BAM-8 ("**BAM-8**") (the "**BAM-8 Project**") which the Company intends to investigate as a non-opioid analgesic (the "**BAM-8 Acquisition**"). On 9 March 2018, the Company sought and obtained the consent of shareholders to cancel its trading facility on AIM and to migrate to Guernsey. The Directors propose that the Company should now seek admission to a Standard Listing as a life science and biotechnology company to develop its newly acquired licence assets. The Company identified the Chemerin Project as an initial business opportunity and will look to make further complementary acquisitions in the future. The Company wishes to differentiate itself by focusing on opportunities where clinical development timelines are short and where the management teams can benefit from the clinical development and commercialisation experience of the Directors and Senior Management. As such it is the intention that the Company will work closely with its retained clinicians with a view to generating incremental value for its Shareholders. Any further major acquisition by the Company could potentially constitute a reverse takeover for the purposes of the Listing Rules and at that point the Company's Standard Listing might be cancelled. The Company would then intend to seek re-admission of the enlarged Group to listing on the Official List and trading on the Main Market of the London Stock Exchange but may, in certain unlikely circumstances seek admission to trading on AIM or admission to another stock exchange dependent on the nature of the specific acquisition, which may be considered by the Directors to be suited to a Premium Listing or Standard Listing, or if a smaller earlier-stage growth business, more suited to a listing on AIM. Furthermore, it may be appropriate,

		dependent on the geography of any target business manufacturing locations or target markets, for the Company's securities to be additionally listed on a non-UK stock exchange. The Company's efforts in identifying further prospective target companies, businesses or assets will be focused on those exhibiting certain characteristics, including but not necessarily limited to: (i) clear existing scientific validation and a clear plan for clinical development; (ii) proven management and clinical teams; and (iii) specific attributes in the form of assets which are capable of rapid clinical and commercial development. Other than in respect of the Chemerin Project and the BAM-8 Project, the Company has not engaged or retained any agent or other representative to identify or locate any suitable acquisition candidates, to conduct any research or take any measures (other than of a preliminary nature), directly or indirectly, to locate or contact a target company, business or asset in the chosen sector. The Company may subsequently seek to raise further capital to complete any further acquisition (dependent on the size of such acquisition) and/or to allow the expedited development of the Chemerin Project and/or the BAM-8 Project or to finance any further acquisition, if there are commercially compelling reasons to do so. Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to any further investment or acquisition. *Business strategy and execution* The Directors will draw on their collective experience, knowledge and extensive network in conjunction with their advisers and other relationships in order to target suitable additional investment and acquisition candidates in the life science and biotechnology sector.
B.4a	Significant trends	DED has a history of clinical failures and accordingly the general approach for disease management has not drastically changed in the past 50 years with lubricating artificial tears and punctal plugs representing mainstay therapy to alleviate symptoms. Cyclosporine, marketed as Restasis (cyclosporine 0.05%, Allergan plc) has shown high clinical efficacy and a good safety profile. In July 2016, the FDA approved Xiidra (lifitegrast ophthalmic solution, Shire plc) for the treatment of signs and symptoms of DED. Restasis has limited efficacy in treating DED, as it is indicated solely to increase tear production and not to treat the other, often disabling symptoms of DED. It also has a long onset of action (up to six months) and many patients discontinue use due to burning sensation side effects in administration. The Directors therefore believe that there is significant opportunity for additional treatment options for DED, with 94% of ophthalmologists in a recent survey confirming the need for newer agents that can diminish the symptoms with a rapid onset of action. There is an urgent need for novel strategies to treat neuropathic pain, a disease which affects millions of people worldwide and occurs on as much as 7% of the population. Traditional prescription opioid-based painkillers are commonly abused due to their addictive properties, leading to a widely reported opioid crisis in the US and Europe. The Company intends to examine BAM-8 as a potential non-opioid analgesic.

B.5	Group structure	The Company has no subsidiaries.
B.6	Major shareholders	Save for the interests of the Directors and Senior Management, which are set out below, as at the date of this document and Admission the Company is aware of the following holdings of Ordinary Shares, which will represent 5% or more of the Company's issued share capital or voting rights:

Name	Number of Ordinary Shares held as at the date of this document	Percentage of share capital held as at the date of this document	Number of Ordinary Shares held as at Admission	Percentage of share capital held as at Admission
Panetta Partners Limited	116,087,103	29.89%	251,087,103	47.95%
Beaufort Nominees Limited (including the shareholding of Rosy Mining Limited)*	119,997,937	30.89%	119,997,937	22.91%
Regent Mercantile Holdings Limited	32,672,906	8.41%	32,672,906	6.24%
James Mellon	31,912,948	8.22%	31,912,948	6.09%

* The Ordinary Shares held by Beaufort Nominees Limited include the holding of Rosy Mining Limited, which is 35,889,079 Ordinary Shares or 9.24% of the share capital held as at the date of this document and 6.85% of the share capital held as at the date of Admission and would not count as shares in public hands. The remainder of the Ordinary Shares held in Beaufort Nominees Limited, 88,108,858 Ordinary Shares or 21.65% of the share capital held as at the date of this document and 16.06% of the share capital held as at the date of Admission, are held for a variety of independent investors and would count as shares in public hands.

As at the date of this document and Admission, respectively, the interests of the Directors, Senior Management and each of their respective connected persons in the Company's issued share capital or voting rights, all of which are beneficial, are and will be as follows:

Name	Number of Ordinary Shares held as at the date of this document and as at Admission	Percentage of issued share capital held as at the date of this document and as at Admission
Willy Simon	307,100	0.06%
Dr. Kunwar Shailubhai	—	—
Leopoldo Zambeletti	—	—
Tiziano Lazzaretti	—	—

Other than those persons described above, as at 11 July 2018 (being the latest practicable date prior to the publication of this document), the Company had not been notified, nor was it otherwise aware of, any persons who directly or indirectly, have an interest in the Company's share capital or voting rights which is notifiable under English or Guernsey law.

B.7a	Selected historical key financial information	The table below sets out summary financial information of the Company as derived from the audited historical financial information of the Company as at 31 March 2015, 31 March 2016 and 31 March 2017, and unaudited historical financial information of the Company for the six month period ended 30 September 2017:

Consolidated Statement of Comprehensive Income

	6 months ended 30 September 2017 (unaudited) £	Year ended 31 March 2017 £	Year ended 31 March 2016 £	Restated Year ended 31 March 2015 £
Continuing Operations Income				
Operating expenses				
Directors' fees	**(13,732)**	**(31,573)**	(25,836)	(241,852)
Salaries and wages	**(5,095)**	**(14,615)**	(45,042)	(76,346)
Consultants' fees	**—**	**(83,313)**	(105,250)	(65,738)
Other professional fees	**(65,677)**	**(183,992)**	(361,404)	(377,854)
Administration expenses	**(55,700)**	**(124,454)**	(124,026)	(235,417)
Share option and warrants	**(3,023)**	**14,725**	(69,031)	(180,277)
Other costs	**(2,932)**	**(213,722)**	(33,442)	(5,224)
Impairment-deferred mine cost	**(12,398,292)**	**—**	—	—
Impairment – exploration permit	**(6,284,715)**	**—**	**—**	**—**
Impairment – goodwill	**(429,137)**	**—**	**—**	**—**
Loss from operations	**(19,258,303)**	**(636,944)**	**(764,031)**	**(1,182,709)**
Other gains – net	**(1,084)**	**93,708**	**33,797**	**161,869**
Profit on disposal of fixed assets	**—**	**—**	**18,715**	**—**
Finance income	**568**	**3,545**	**8,600**	**11,678**
Loss before income tax	**(19,258,819)**	**(539,691)**	**(702,919)**	**(1,009,162)**
Taxation	**—**	**—**	**—**	**—**
Loss from continuing operations	**(19,258,819)**	**(539,691)**	**(702,919)**	**(1,009,162)**
Discontinued operations				
Profit from discontinued operations	**—**	**—**	132,203	(4,565,555)
Loss for the period	**(19,258,819)**	**(539,691)**	(570,716)	(5,574,717)
Other comprehensive income – foreign currency translation reserve	**(142,357)**	**324,311**	(119,574)	(167,306)
Total comprehensive loss for the period	**(19,401,176)**	**(215,380)**	(690,290)	(5,742,023)
Basic and diluted loss per share – all operations	**(0.05)**	**(0.0014)**	(0.0015)	(0.0148)
Basic and diluted loss per share – continuing operations	**(0.05)**	**(0.0014)**	(0.0018)	(0.0027)

Consolidated Statement of Financial Position

	At 30 September 2017 (unaudited) £	At 31 March 2017 £	At 31 March 2016 £	At 31 March 2015 £
Assets				
Property, plant and equipment	**42,518**	**61,012**	116,390	223,127
Deferred mine exploration costs	**—**	**12,183,882**	11,827,633	11,468,946
Exploration permits	**—**	**6,284,715**	6,284,715	6,284,715
Goodwill	**—**	**429,137**	429,137	429,137
Total non-current assets	**42,518**	**18,958,746**	18,657,875	18,405,925
Current assets				
Cash and cash equivalents	**2,665,675**	**3,145,820**	3,568,800	4,365,927
Trade and other receivables	**167,257**	**141,853**	168,643	220,556
Total current assets	**2,833,932**	**3,287,673**	3,737,443	4,586,483
Total assets	**2,876,450**	**22,246,419**	22,395,318	22,992,408
Equity				
Share premium	**66,192,355**	**66,192,355**	66,192,355	66,192,355
Share options reserves	**—**	**68,933**	184,323	172,639
Share warrants reserves	**—**	**—**	1,114,454	1,114,454
Foreign currency translation reserve	**(10,479)**	**131,889**	(192,433)	(72,859)
Retained deficit	**(63,541,005)**	**(44,354,141)**	(45,029,569)	(44,516,200)
Total equity	**2,640,871**	**22,039,025**	22,269,130	22,890,389
Current liabilities				
Trade and other payables	**235,579**	**207,394**	126,188	102,019
Total liabilities	**235,579**	**207,394**	126,188	102,019
Total equity and liabilities	**2,876,450**	**22,246,419**	22,395,318	22,992,408

Consolidated Statement of Cash Flows

	6 months ended 30 September 2017 (Unaudited) £	Year ended 31 March 2017 £	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Cash flow from operating activities				
Loss for the year	**(19,258,819)**	**(539,691)**	(570,716)	(5,574,717)
Adjusted for non-cash and non-operating items:				
Share options and warrants charge	**3,023**	**(14,725)**	69,031	180,277
(Profit)/or loss on sale of property, plant and equipment	**—**	**—**	(18,715)	66,506
Impairment of discontinued operations	**19,112,144**	**—**	—	4,432,815
Profit on sale of discontinued operations	**—**	**—**	(132,203)	—
Finance income	**(568)**	**(3,545)**	(8,600)	(11,678)
	(144,220)	**(557,961)**	(661,203)	(906,797)
Change in trade and other receivables	**(25,403)**	**26,790**	51,914	(3,507)
Change in trade and other payables	**28,184**	**81,206**	24,168	(46,946)
Disposal of trade and other payables on discontinued operations	**—**	**—**	132,203	—
Net cash used in operating activities	**(141,439)**	**(449,965)**	(452,918)	(957,250)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(1,833)**	**(1,436)**	(319)	3,273)
Proceeds from sale of property, plant and equipment	**—**	**—**	49,31	—
Net cash inflow on disposal of discontinued operations	**—**	**—**	1	—
Amount paid for capitalised deferred mine exploration cost	**(194,084)**	**(299,435)**	(282,228)	(1,860,332)
Net cash used in investing activities	**(195,917)**	**(300,871)**	(233,235)	(1,863,605)
Cash flows from financing activities				
Interest received	**568**	**3,545**	8,600	11,678
Exercise of share options and warrants	**—**	**—**	—	238,533
Net cash generated from financing activities	**568**	**3,545**	8,600	250,211
Effect of foreign exchange movement on cash	**(142,357)**	**324,311**	(119,574)	(167,306)
Decrease in cash and cash equivalents	**(479,145)**	**(422,980)**	(797,127)	(2,737,950)
Cash and cash equivalents at beginning of year	**3,145,820**	**3,568,800**	4,365,927	7,103,877
Cash and cash equivalents at end of year	**2,666,675**	**3,145,820**	3,568,800	4,365,927

		Set out below are details of the significant changes in the financial condition, operating results and trading position of the Group during the three years ended 31 March 2015, 31 March 2016 and 31 March 2017 and for the period since 31 March 2017. **Year ended 31 March 2015** Total assets declined by 18.9% to £23.0 million (2014: £28.4 million) as a result of impairment recognised in respect of Sierra Leone license permits. Cash on hand equated to £4.4 million (2014: £7.1 million). Operational expenses continued to be rigorously controlled at all levels. During the financial year, the Group reported a total comprehensive loss of £5.7 million (2014: £8.5 million). Basic and diluted loss per Ordinary Share has nearly halved at 1.48 pence each (2014: 2.78 pence). CIM (NI-43-101 compliant) Inferred Mineral Resource Estimate was of 82.9 Mt at 32.1% Fe at a 25% Fe cut-off grade to a depth of 150m below surface. Included in the Inferred Mineral Resource Estimate was a higher grade oxidised cap and near-surface enriched mineralisation of 15.8 Mt at 37.3% Fe at a 25% cut-off grade. Mineralisation was intersected along a strike length of approximately 3 km from the surface to a vertical depth of approximately 150m and remains open at depth. Positive metallurgical test work reported on 21 October 2014 supported the potential production of a premium grade (69% Fe) concentrate at a favourable mass recovery of approximately 40%. A summary environmental and social impact assessment was completed and submitted to the Government of Cameroon for review and approval. **Year ended 31 March 2016** 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 equated to £3.6 million (2015: £4.4 million). Operational expenses continued to be rigorously controlled at all levels. During the financial year, the Group reported a total comprehensive loss of £0.7 million (2015: Loss £5.7 million). Basic and diluted loss per Ordinary Share at 0.15 pence each for all operations (2015: 1.48 pence). The Company undertook internal scoping studies on the development of a local, collaborative steel production to secure future off-take from the Sanaga Project and enable a Cameroon iron ore industry. The Ministry of Mines in Cameroon was finalising a lease-area reduction of the Company's surface holdings from 4,117 km^2 to 331 km^2 allowing the Company to retain its resources and discovered iron ore deposits while significantly reducing its required exploration commitments. The Company held four leases as a result instead of five previously and only official confirmation of the block relinquishment is outstanding prior to finalisation of the process. The Company continued to evaluate suitable target businesses in the mineral resource sector for acquisition or investment.

		Year ended 31 March 2017 Total assets for the Company decreased by 0.9% to £22.2 million (2016: decreased to £22.4 million) largely due to operational losses of £0.54 million, offset by £0.32 million in gains from translating foreign denominated subsidiaries into Pounds Sterling. Cash on hand equated to £3.15 million (2016: £3.57 million). Operation expenses continued to be rigorously controlled at all levels. During the financial year, the Group reported a total comprehensive loss of £0.22 million (2016: loss £0.69 million). Basic and diluted loss per Ordinary Share at 0.14 pence each for all operations (2016: 0.15 pence). Royal HaskoningDHV completed a scoping study on the Sanaga Project, the results of which indicated a positive economic potential. The Ministry of Mines in Cameroon finalised the approval of a lease-area reduction of the Company's surface holdings from 4,117 km^2 to 330 km^2 (1 km^2 extension of the Sanaga Project was requested to follow mineralisation and, potentially, bring the Company's surface holdings to 331 km^2). The Company continued to evaluate new business proposals that will generate shareholder value. **Period following 31 March 2017** Total assets decreased to £2.9 million as at 30 September 2017 (31 March 2017: £22.2 million), with a complete impairment of the Sanaga Project assets recognised as at 31 December 2017. Cash on hand equated to £2.67 million as at 30 September 2017 (31 March 2017: £3.15 million). Operational expenses continue to be rigorously controlled at all levels. During the 6 month period to 30 September 2017, the Group reported a total comprehensive loss of £19.3 million due to impairment charges. Basic and diluted loss per Ordinary Share each increased to 0.05 pence. The Directors have also assessed the recoverability of the US$600,000 (£447,761) loan made to Ferrum as part of the disposal process and concluded that it would be appropriate to make a provision against the recoverability of this loan. On 1 May 2018, the Company acquired the Chemerin Project and the BAM-8 Project. These acquisitions will be settled via the issue of 135,000,000 Ordinary Shares credited fully paid at a market price expected to be in the region of 1.5 pence each (providing a fair value for this element of the consideration of £2,025,000) and US$450,000 (£338,350) paid in cash to the vendors, providing a total consideration of £2,363,350 for the Chemerin Project and US$175,000 (£125,000) for the BAM-8 Acquisition as a cash payment to On Target Therapeutics.
B.8	Selected key *pro forma* financial information	The unaudited *pro forma* statement of net assets set out in this Element have been prepared in a manner consistent with the accounting policies adopted by the Company in preparing the Group's audited consolidated financial statements for the financial year ended 31 March 2017 and the Company's unaudited interim report for the six months ended 30 September 2017. The unaudited *pro forma* statement of net assets is prepared on the basis set out in the notes to the unaudited *pro forma* statement of net assets in accordance with Annex II to the Prospectus Directive

Regulation. The adjustments in the unaudited *pro forma* statement of net assets are expected to have a continuing impact on the Group, unless stated otherwise.

The unaudited *pro forma* statement of net assets has been prepared based on the net assets of the Group as at 30 September 2017 and has been prepared to illustrate the impact of the Chemerin Acquisition and the BAM-8 Acquisition, following completion of the Disposal, on the net assets of the Group as if it had been completed on 30 September 2017.

Due to its nature, the unaudited *pro forma* statement of net assets addresses a hypothetical situation. It does not represent the Group's actual results of operations or financial condition or what the Group's actual results of operations or financial condition would have been if the Chemerin Acquisition and the BAM-8 Acquisition, following completion of the Disposal, had been completed on 30 September 2017.

The unaudited consolidated *pro forma* net assets as at 30 June 2017 is $2.9 million.

No adjustments have been made in the unaudited *pro forma* statement of net assets to reflect the trading or other transactions of the Company since 30 September 2017, being the date of the last published balance sheet of the Company.

Unaudited *pro forma* statement of net assets at 30 September 2017

	Company net assets as at 30 September 2017 (Note 1) £	Adjustments to reflect the Disposal (Note 2) £	Issue of equity and cash consideration associated with the Chemerin Acquisition and the BAM-8 Acquisition (Note 3) £	Unaudited *pro forma* net assets of the Company on Admission £
Assets				
Non-current assets				
Property, plant and equipment	42,518	(42,518)	—	—
Loan to former subsidiary	—	447,761	(447,761)	—
Investment in Chemerin Project	—	—	2,488,350	2,488,350
	42,518	405,243	2,040,589	2,488,350
Current assets				
Trade and other receivables	167,257	—	—	167,257
Cash and cash equivalents	2,666,675	(447,761)	(463,350)	1,755,056
Current assets	2,833,932	(447,761)	(463,350)	1,923,313
Total assets	2,876,450	(42,518)	1,577,239	4,411,171
Liabilities				
Current liabilities				
Trade and other payables	235,579	—	—	235,579
Current liabilities	235,579	—	—	235,579

	Company net assets as at 30 September 2017 (Note 1) £	Adjustments to reflect the Disposal (Note 2) £	Issue of equity and cash consideration associated with the Chemerin Acquisition and the BAM-8 Acquisition (Note 3) £	Unaudited *pro forma* net assets of the Company on Admission £
Shareholders' Equity				
Share capital	—	—	—	—
Share premium	66,192,355	(63,583,523)	2,025,000	4,633,832
Foreign currency transaction	(10,479)	—	—	(10,479)
Retained deficit	(63,541,005)	63,541,005	(447,761)	(447,761)
Total Equity	2,640,871	(42,518)	1,577,239	4,175,592
Total liabilities and equity	2,876,450	(42,518)	1,577,239	4,411,171

Notes

1. The unaudited net assets of the Company as at 30 September 2017 have been extracted without adjustment from the historic financial information of the Group.
2. Adjustments to reflect the disposal of Ferrum shares outlined in the Company's circular dated 21 December 2017.
3. The Company intends to invest in the Chemerin Project, and will settle this acquisition via the issue of 135,000,000 Ordinary Shares credited fully paid at a market price expected to be in the region of 1.5p each (providing a fair value for this element of the consideration of £2,025,000) and US$450,000 (£338,350) paid in cash to the vendors, providing a total consideration of £2,363,350.

The Company also invested US$175,000 (£125,000) in the BAM-8 Acquisition as a cash payment to On Target Therapeutics.

The Directors have also assessed the recoverability of the US$600,000 (£447,761) loan made to Ferrum as part of the disposal process and concluded that it would be appropriate to make a provision against the recoverability of this loan at this time.

B.9	Profit forecast or estimate	Not applicable. The Company has not made any profit forecasts or estimates which remain outstanding as at the date of this document.
B.10	Qualified audit report	Not applicable. There are no applicable qualifications in the accountant's report on the historical financial information.
B.11	Insufficient working capital	Not applicable. The Company is of the opinion, taking into account its existing cash balances, that the working capital available to the Group is sufficient for the present requirements, that is, for at least the next 12 months following the date of this document.

Section C – Securities		
C.1	Description of the type and the class of the securities being offered	No new Ordinary Shares are being offered in connection with Admission. Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to be admitted to trading on the Main Market of the London Stock Exchange. The Ordinary Shares are registered with ISIN GG00BD3FV870, SEDOL BD3FV87 and TIDM OKYO. The Ordinary Shares have no par value.
C.2	Currency of the securities issue	The currency of the securities issue is Pounds Sterling.

C.3	Issued share capital	523,595,417 Ordinary Shares have been issued at the date of this document, all of which have been fully paid up.
C.4	Rights attached to the securities	Shareholders will have the right to receive notice of and to attend and vote at any meetings of Shareholders. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by him. Pre-emption rights in favour of existing Shareholders are not included in the New Articles but the Directors will propose a special resolution to introduce pre-emptive rights in favour of existing Shareholders at the next annual general meeting of the Company subject to a disapplication to the extent of authorising the Company to issue shares on a non-pre-emptive basis equal to 20% of the shares in issue upon Admission. It is the intention of the Directors to seek renewal of this authority annually thereafter. In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly either of them may be present in person or by proxy at a meeting of Shareholders and may speak on behalf of all joint owners as a Shareholder, and if two or more joint holders are present at a meeting of Shareholders, in person or by proxy, they must vote as one. Subject to the Guernsey Companies Law, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, to the holders of Ordinary Shares *pro rata* to the number of such fully paid up Ordinary Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Ordinary Shares.
C.5	Restrictions on transferability	The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer. Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a 'relevant system' (i.e. CREST) in such manner provided for, and subject as provided in, the CREST Regulations.
C.6	Application for admission to trading on a regulated market	Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8:00 a.m. on 17 July 2018.
C.7	Dividend policy	The Company does not intend to declare a dividend for the foreseeable future.

Section D – Risks		
D.1	Key information on the key risks that are specific to the issuer or its industry	The historical financial information and the *pro forma* financial information contained in this document relate in all material respects to discontinued operations. The historical financial information is largely irrelevant to the Company's intended future business strategy. The historical financial information is included in this document as its disclosure and inclusion is a requirement of the Prospectus Rules, however, it should not be seen as relevant or informative as to the future

		operations, results or potential financial position of the Company. The *pro forma* financial information reflects the disposal of discontinued mining operations and the costs of acquisition relating to Chemerin and BAM-8 but provides little other information which might inform investors as to the future prospects and operations of the Company. The Company's chosen product candidates, Chemerin and BAM-8, are both very early in the development stage and even the lead product candidate, Chemerin, is still in the pre-clinical stage. The Company, through its scientific collaborators, has only recently completed pre-clinical studies with respect to Chemerin and BAM-8 and the Company's ability to generate product revenue, which is not expected to occur for several years, if ever, will depend heavily on the successful development of the product candidates, many stages of clinical trials and eventual commercialisation. The Company has only recently committed to its new business operating in the life sciences and biotechnology sector. The Company currently generates no revenue from sales of any product and may never be able to develop or commercialise a marketable product. The development of pharmaceutical products is inherently uncertain, even in late-stage product development programmes. There is a high failure rate in the development of pharmaceutical products and there is a substantial risk of adverse, undesirable, unintended or inconclusive results from testing or pre-clinical or clinical trials, which may substantially delay, halt entirely or make uneconomic, any further development of the Company's products and may prevent or limit the commercial use of such products. The Company is highly dependent on its current Directors and Senior Management and their services are critical to the successful implementation of its product development and regulatory strategies. Whilst suitable contracts of employment are in place including six to 12 months' notice periods for all Directors and Senior Management, they may give notice to terminate their employment with the Company at any time. The loss of the services of any of the Directors or Senior Management and the Company's inability to find suitable replacements could harm its business, prospects, financial condition, results of operations and ability to achieve the successful development or commercialisation of its products. Growth may place significant demands on the Company's management and resources. The Company expects to experience growth in the number of its employees and the scope of its operations in connection with the continued development and, in due course, the potential commercialisation of its products. This potential growth will place a significant strain on its management and operations, and the Company may have difficulty managing this future potential growth. The early stages of the Company's business strategy will carry significant risks associated with product candidates which have not been evaluated in human clinical trials. Not only may encouraging results seen in pre-clinical trials not be indicative of results in later clinical trials but given that the product candidates have only been evaluated in mouse models to date. Unexpected or adverse effects may be seen once the product candidates enter the human clinical trials stage which in time may create significant hurdles to further development or lead to the abandonment of further development. Many companies in the life sciences and biotechnology sector have made significant initial progress only to suffer significant setbacks in later stage clinical trials and there is a high failure rate for product candidates

		as they proceed through clinical trials. Data obtained from pre-clinical and clinical activities is subject to varying interpretations, which may delay, limit or prevent applications for regulatory approvals. Even if the Company is successful in moving into later stage clinical trials, which would be scheduled for a significant time in the future, the Company's business would by that stage be subject to significant additional risks relating to commercialisation, including coverage and reimbursement risks, manufacturing risks, financing risks and risks associated with protection and challenge for intellectual property and competitive rates.
D.3	Key information on the key risks that are specific to the securities	The proposed Standard Listing of the Ordinary Shares will not afford Shareholders the opportunity to vote to approve any future material investment or acquisition. A suspension or cancellation of the Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an acquisition or a target business, would materially reduce liquidity in such Ordinary Shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced. At Admission, the Company will be one of the smaller companies listed on the Main Market of the London Stock Exchange. Further, pending any future fundraising (the success of which cannot be assured), the Company will have limited cash and other resources with which to pursue its ambitious strategic objectives. Further substantial equity capital raisings will be required by the Company in order to complete any additional investments or acquisitions. If the Company does offer its Ordinary Shares as consideration in making investments or acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. The Company will continue to have substantial numbers of outstanding share options and warrants and may issue further warrants in connection with a future fundraising. A total of 26,261,667 share options and 35,000,000 warrants will be outstanding as at Admission with exercise prices ranging from 4.5 pence to 7 pence (the majority of the share options remain subject to time vesting over a four year period). All of the convertible instruments will have a significant dilutive effect on Shareholders when and if they are exercised. The market for the products of the businesses that the Company is seeking to invest in or acquire is characterised by continued evolution in technology, evolving sectoral standards, changes in medical reimbursement policies, competition and frequent new product introductions. If the Company is unable to anticipate these changes, or the investment or acquisition targets fail to develop on a timely basis, it may have an adverse impact on the Company's business and prospects.

Section E – Offer		
E.1	Total net proceeds/ expenses	Not applicable. There is no offer of the Company's securities and no expenses are to be charged to investors by the Company.
E.2a	Reasons for the offer and use of proceeds	Not applicable. There is no offer of the Company's securities.
E.3	Terms and conditions of the offer	Not applicable. There is no offer of the Company's securities.
E.4	Material interests	Not applicable. There is no offer of the Company's securities.
E.5	Selling Shareholders/ lock-up agreements	Not applicable. There is no offer of the Company's securities and there are no selling shareholders and no lock-up agreements.
E.6	Dilution	Not applicable. There is no offer of the Company's securities.
E.7	Expenses charged to investors	Not applicable. The Company is not offering any new Ordinary Shares or other securities in connection with Admission and there are no selling shareholders. The costs and expenses of Admission will be borne by the Company and are not expected to exceed an aggregate of £160,000.

PART II – RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business, financial position and to the development and regulatory approval of its products, risks relating to the Ordinary Shares and risks relating to taxation.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in Part I – Summary of this document are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I – Summary of this document but also, inter alia, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

IMMEDIATE RISKS RELATING TO THE COMPANY, ITS BUSINESS AND PROSPECTS

The historical financial information relates largely to discontinued operations and is not indicative of the performance of the business

The historical information contained in this document and the *pro forma* financial information contained in it relate in all material respects to discontinued operations. The historical financial information is largely irrelevant to the Company's intended future business strategy. The historical financial information is included in this document as its disclosure and inclusion is a requirement of the Prospectus Rules, however, it should not be seen as relevant or informative as to the future operations, results or potential financial position of the Company. The *pro forma* financial information reflects the disposal of discontinued mining operations and the costs of acquisition relating to Chemerin and BAM-8 but provides little other information which might inform investors as to the future projects and operations of the Company.

The Company only recently committed to its new business and its chosen product candidates are in the early stages of development and it may be some years until the Company generates revenue, if at all

The Company's chosen product candidates, Chemerin and BAM-8, are both very early in the development stage and even the lead product candidate, Chemerin, is still in the pre-clinical stage. The Company, through its scientific collaborators, has only recently completed initial pre-clinical studies with respect to Chemerin and BAM-8 and the Company's ability to generate product revenue, which is not expected to occur for several years, if ever, will depend heavily on the successful development of the product candidates, many stages of clinical trials and eventual commercialisation. The Company has only recently committed to its new business operating as a life sciences and biotechnology business. The Company currently generates no revenue from sales of any product and may never be able to develop or commercialise a marketable product.

The Company's product candidates have not been evaluated in clinical trials and results in the clinic may not be reproduced in human trials

The early stages of the Company's business strategy will carry significant risks associated with product candidates which have not been evaluated in human clinical trials. Not only may encouraging results seen in pre-clinical trials not be indicative of results in later clinical trials but given that the product candidates have only been evaluated in mouse models to date, unexpected or adverse effects may be seen once the product candidates enter the human clinical trials stage

which in turn may create significant hurdles to further development or lead to the abandonment of further development.

There is a high degree of failure for product candidates as they progress through clinical trials and clinical trial data may be interpreted in varying ways which may delay, limit or prevent future regulatory approvals

Many companies in the life sciences and biotechnology sector have made significant initial progress only to suffer significant setbacks in later stage clinical trials and there is a high failure rate for product candidates as they proceed through clinical trials. Data obtained from pre-clinical and clinical activities is subject to varying interpretations which may delay, limit or prevent applications for regulatory approvals.

The development of pharmaceutical products carries significant risk of failure in early and late stage development programs

The development of pharmaceutical products is inherently uncertain, even in late-stage product development programmes. There is a high failure rate in the development of pharmaceutical products and there is a substantial risk of adverse, undesirable, unintended or inconclusive results from testing or pre-clinical or clinical trials, which may substantially delay, or halt entirely, or make uneconomic, any further development of the Company's products and may prevent or limit the commercial use of such products.

Whilst the pre-clinical development of Chemerin and initial studies in animal models have been encouraging, the scope of these studies is limited and significant risks exist that Chemerin may never progress to a commercially viable product. Laboratory studies in animal models carry the risk that similar results may not be seen or reproduced in future tests and trials, and there can be no guarantee that a successful test in a mouse or other animal model will be capable of being reproduced in a human clinical trial. Small scale trials and the results thereof, can be misleading as to efficacy, safety and other findings, as the outcome may be influenced by laboratory or demographic factors and not due to the chemistry or biological effect of the drug candidate being evaluated. Larger scale trials often fail to produce the same positive results seen in small scale trials for a variety of reasons and clinical trials in humans frequently fail to reproduce efficacy seen in animal trials in the laboratory. Failure can often result after significant sums have been expended on research and often where initial trial results (both in animals and in humans) have shown very encouraging results.

Management initially intend to conduct laboratory and pre-clinical trials to establish safety and efficacy of the Company's products. Due to the inherent risks involved in developing pharmaceutical products, there is a risk that some or all of the Company's products will not ultimately be successfully developed or launched. In addition, the planned clinical trials may fail to show the desired safety and efficacy, this may be the case even if an investigational new drug application ("**IND**") is approved as positive data in animal studies may not be reflected or reproduced in human trials. Successful completion of one stage of development of a pharmaceutical product does not ensure that subsequent stages of development will be successful. The inability of the Company to market any of its products currently under development would adversely affect the Company's business and financial condition.

The Company is currently primarily dependent for its short to medium-term success on a single early stage product, Chemerin, which is a research product that has shown pre-clinical potential, but has not yet been tested on humans and is some way from obtaining the necessary approvals required to conduct Phase I clinical trials in humans.

Any commercial development of Chemerin is highly dependent on a number of factors, including:

(a) the successful conduct of human trials in the initial indications of DED;

(b) receipt of marketing approvals for Chemerin in the United States and other jurisdictions where separate approval is required and where the Company subsequently chooses to market Chemerin;

(c) launching commercial sales of Chemerin, if and when approved;

(d) acceptance of Chemerin by patients, the medical community and third-party payers;

(e) Chemerin competing effectively with existing therapies and in particular with established products addressing the same clinical needs;

(f) Chemerin influencing the treatment guidelines in relevant territories; and

(g) further clinical trials to provide additional data to support commercialisation of Chemerin and to permit wider label claims.

If any of these factors were not met, the Group's business, financial condition, prospects and results of operations could be materially adversely affected.

LONGER TERM RISKS TO THE COMPANY'S BUSINESS, FINANCIAL POSITION AND TO THE DEVELOPMENT AND REGULATORY APPROVAL OF ITS PRODUCTS.

Even if the Company successfully develops a product which shows efficacy in human subjects there remain high barriers to commercial success

Even if the Company were to receive regulatory approval for Chemerin or any other products, it may be unable to commercialise them.

There are a number of factors that may inhibit the Company's efforts to commercialise Chemerin or any other products on its own, including:

(a) the Company's inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;

(b) the inability of sales personnel to obtain access to or persuade adequate numbers of potential practitioners to prescribe any future products;

(c) unforeseen costs and expenses associated with creating an independent sales and marketing organisation;

(d) costs of marketing and promotion above those anticipated by the Company; and

(e) the inability to secure a suitable level of pricing and/or reimbursement approval from the relevant regulatory authorities in the countries the Company is targeting.

Whilst the Company may only seek to enter into arrangements with third parties to perform sales and marketing services in non-core territories, any such arrangements could result in the Company's product revenues (or the profitability of such product revenues to the Company) being lower than if the Company were to market and sell the products itself. In addition, the Company may not be successful in entering into arrangements with third parties to sell and market its products or may be unable to do so on terms that are favourable to the Company. Acceptable third parties may fail to devote the necessary resources and attention to sell and market the Company's products effectively. If the Company does not establish sales and marketing capabilities successfully, either on its own or in collaboration with third parties, it will not be successful in commercialising its products, which in turn would have a material adverse effect on its business, prospects, financial condition and results of operations.

The Company has also invested and will continue to invest resources into the development of other products, such as BAM-8. Even where these products are successfully developed and marketing approval is secured from relevant regulatory authorities, these products might not achieve commercial success. Factors which could limit commercial success of a product include but are not limited to:

(a) limited market acceptance or a lack of recognition of the unmet medical need for the product amongst prescribers;

(b) new competitor products entering the market;

(c) the number and relative efficacy, safety or cost of competitive products;

(d) an inability to supply a sufficient amount of the product to meet market demand;

(e) insufficient funding being available to market the product adequately;

(f) an inability to enforce intellectual property rights, or the existence of third party intellectual property rights;

(g) safety concerns arising pre or post-launch resulting in negative publicity or product withdrawal or narrowing of the product label and the group of persons who may receive the product;

(h) labelling being restricted/narrowed in the future and in the future by regulatory agencies; and

(i) refusals by government or other healthcare payors to fund the purchase of the products by healthcare providers at a commercially viable level (or at all) or otherwise to restrict the availability of approved products on other grounds.

If any of the foregoing were to occur, it could materially and adversely affect the Group's business, financial condition, prospects and results of operations.

The Company will need to spend extensively on further research activities and there can be no guarantee that the Company will have access to sufficient funds to fully realise its research and development plan or to commercialise any products derived from research activities

The Company expects to incur further significant expenses in connection with its ongoing research and development activities in relation to its products, including for funding clinical studies, registration, manufacturing, marketing, sales and distribution. In order to finance fully the Company's business plan set out in *Part VII – Background to the Acquisitions and Admission* of this document, the Company may require more capital than is available from its existing cash balances.

Access to adequate additional financing, whether through debt financing, an equity capital raise or a suitable partnering transaction may not be available to the Company on acceptable terms, or at all. If the Company is unable to raise capital, the Company could be forced to delay, reduce or eliminate its research and development programmes or commercialisation efforts. Any additional equity fundraising may be dilutive for Shareholders.

Any of these events could have a material adverse effect on the Company's business financial condition, prospects and results of operation and may lead the Company to delay, reduce or abandon research and development programmes or commercialisation of some of its products.

If the Company obtains regulatory approval for a product, such product will remain subject to ongoing regulatory obligations

If the Company obtains regulatory approval in a jurisdiction in respect of a product, regulatory authorities may still impose significant restrictions on the indicated uses or marketing of such product, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, product manufacturers and their facilities are subject to continual review and periodic inspections by the European Medicines Agency (the "**EMA**"), the US Food and Drug Administration (the "**FDA**") and other relevant regulatory authorities for compliance with good manufacturing practices ("**GMP**") and good pharmacovigilance practices. If the Company or a regulatory agency discovers previously unknown problems with a product or problems with the facility where a product is manufactured, a regulatory agency may impose restrictions relative to that product or the manufacturing facility, including requiring recall or withdrawal of the product from the market or suspension of manufacturing.

If the Company fails to comply with applicable regulatory requirements following approval of any product, a regulatory agency may:

(a) issue a warning letter asserting that the Company is in violation of relevant laws;

(b) seek an injunction or impose civil or criminal penalties or monetary fines;

(c) suspend or withdraw regulatory approval;

(d) suspend any ongoing clinical studies;

(e) seize the product; or

(f) refuse to allow the Company to enter into supply contracts, including government contracts.

Any governmental or regulatory agency investigation of alleged violations of law or regulation could require the Company to expend significant time and resources and may generate negative publicity. The occurrence of any event or penalty described above may delay commercialisation of the Company's products, increase costs and materially and adversely affect the Company's business, prospects, results of operations or financial condition.

Insurance coverage and reimbursement may be limited, unavailable or may be reduced over time in certain market segments for the Company's products

Government authorities and third-party payers, such as private health insurers, decide which pharmaceutical products they will cover and the amount of reimbursement. Reimbursement may depend upon a number of factors, including the payer's determination that use of a product is:

(i) safe, effective and medically necessary;

(ii) appropriate for the specific patient; and

(iii) cost-effective.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payer is a time-consuming and costly process that could require the Company to provide supporting scientific, clinical and cost-effectiveness data for the use of its products.

The Company may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement, or to demonstrate commercial value compared to existing established treatments. If reimbursement of the Company's products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, the Company may be unable to achieve or sustain profitability.

The Company may, in the future, seek approval to market its products in the European Union (the "**EU**"), the United States (the "**US**") and in selected other jurisdictions. In the EU, the pricing of prescription pharmaceuticals is subject to national governmental control and pricing negotiations with governmental authorities can, in some circumstances, take several years after obtaining marketing approval for a product. In addition, market acceptance and sales of the Company's products will depend significantly on the availability of adequate coverage and reimbursement from third-party payers and may be affected by existing and future healthcare reform measures.

The continuing efforts of governments, insurance companies, managed care organisations and other payers of healthcare services to contain or reduce costs of healthcare and/or impose price controls may materially adversely affect the Company's ability to set prices for its products, generate revenues and achieve or maintain profitability. Any reduction in government reimbursement programmes may result in a similar reduction in payments from private payers, which may materially adversely affect the Company's business, prospects, financial condition and results of operations.

The process of conducting and running clinical trial is expensive and time consuming and subject to significant regulatory compliance

Many countries, including but not limited to, all members of the EU, the US and Japan, have very high standards of technical appraisal for prescription pharmaceutical products and, accordingly, the clinical trial process is, in most cases, lengthy and expensive. Clinical trials need to be correctly designed to satisfy regulators, investigators, hospital ethics committees, customers and distributors, which can be time-consuming and expensive, and it is not always possible quickly and efficiently to identify a sufficient number of patients who meet the trial criteria. If the cost and timing of the Company's planned clinical and non-clinical trials exceeds the Directors' current expectations, this could significantly impact the Company's development plan for the relevant product.

Delays in obtaining the necessary regulatory approvals for products to be sold by the Company may result in the emergence of competing products and/or the loss of lifespan of granted patents or data exclusivity protecting the Company's products from competition, may materially reduce the Company's potential future revenues and profitability.

The successful completion of the development of a product does not necessarily mean that it will ultimately be approved or that such approval will be maintained following the commercial launch of such product.

If the Company experiences delays or difficulties in the enrolment of subjects in clinical studies, its receipt of necessary regulatory approvals could be delayed or prevented

Potential participants in clinical trials may be reluctant to be exposed to early stage pharmaceuticals and/or have concerns about side effects. Ocular products and trials related to them can be particularly difficult to enrol and any adverse safety findings prior to a clinical trial or during a clinical trial may result in patients withdrawing from the trial, rendering the trial unsuccessful and prejudicing the ability of the Company to conduct future trials.

In addition, some of the Company's competitors may have ongoing clinical studies for products that treat the same indications as the Company's products, and subjects who would otherwise be eligible for its clinical studies may instead enrol in clinical studies of its competitors' products.

Subject enrolment is affected by other factors, including:

(a) the severity of the indication under investigation;

(b) the subject eligibility criteria for the study in question;

(c) the perceived risks and benefits of the product under the study;

(d) the Company's payments to participants and third-parties for conducting clinical studies;

(e) the referral practices of physicians;

(f) the ability to monitor subjects adequately during and after treatment; and

(g) the proximity and availability of clinical study sites for prospective subjects.

Any difficulties in enrolling a sufficient number of subjects for any of its clinical trials could result in significant delays and require the Company to abandon one or more clinical trials altogether. Enrolment delays in the Company's clinical studies may result in increased development costs for its products and in delays to commercially launching its products, if approved. If any of these factors materialise, the Company's business, prospects, results of operations or financial condition could be materially adversely affected.

The Company operates in a highly regulated environment

During the period before any of its products are approved for commercial sale, the Company and its approved partners must operate to relevant standards of conduct, including Good Clinical Practice ("**GCP**") and GMP, and follow relevant International Council for Harmonisation ("**ICH**") guidelines in the conduct of any clinical studies. Whilst the Company maintains and operates suitable quality standards and practices including the audit of key suppliers, there is a risk that an inspection by a relevant regulatory authority may result in adverse findings that inhibit the Company's ability to conduct its research and development activity.

In respect of products marketed once regulatory approval has been obtained, the Company is required to adhere to relevant quality requirements including the maintenance of appropriate and adequate pharmacovigilance systems for monitoring adverse events and other quality and safety issues in territories in which its products are marketed. There is a risk that such a system is not deemed to be adequate or appropriate by a relevant regulatory authority and that would have a negative impact on the Company's ability to market its products in such territories.

In addition, as is the case with all registered pharmaceutical products, the Company will be required to monitor the safety of its products once they are being prescribed in territories for which it has approval to market its products. Even if the Company has acquired, referenced and generated a wide body of positive evidence in respect of the safety profile of Chemerin, there is a risk that either its monitoring framework is not adequate or that data emerges that leads to safety concerns or issues and negatively impacts the ability of the Company to continue to market its products, which could have a material adverse effect on the business, prospects, results of operation or financial condition of the Company.

Changes in the regulatory environment could result in delays or failures by the Company to manufacture or sell products

The Company may experience delays or rejections based upon additional government regulation from future legislation or administrative action, or changes in relevant regulatory agency policy during the period of product development, clinical studies and the review process. Relevant regulatory agencies also may approve a treatment candidate for fewer or more limited indications than requested or may grant approval subject to the performance of post-marketing studies. In addition, relevant regulatory agencies may not approve the labelling claims that are necessary or desirable for the successful commercialisation of the Company's products.

Any of these actions could have a material adverse effect on the business, prospects, results of operation or financial condition of the Company. The Company consults with several relevant regulatory agencies including FDA, EMA and other national European agencies and is not aware of any relevant proposed changes in the regulatory environment.

The Directors anticipate that the Company will continue to incur significant losses for the foreseeable future

The amount of the Company's future net losses will depend, in part, on the rate of its future expenditures, including further research and development activity. The amount of net losses will

also depend on the Company's success in developing and commercialising Chemerin and other products that generate significant revenue. Any failure by the Company to become and remain profitable could depress the value of the Ordinary Shares, the warrants, and could impair its ability to expand its business, maintain its research and development efforts, diversify its product offerings or continue its operations.

The Company faces significant competition from pharmaceutical companies. The Company has competitors internationally, including major multinational pharmaceutical companies, universities and research institutions. In respect of Chemerin as an indication for the treatment of DED, there are a number of established companies engaged in the development and marketing of preparations addressing the DED market. In addition, there are a wide range of products addressing the DED market currently approved and marketed by a number of large and small pharmaceutical companies

Many of the Company's competitors have substantially greater financial, technical and other resources, such as a larger research and development teams, proven marketing and manufacturing organisations and well-established sales forces. The Company's competitors may succeed in developing, acquiring or licensing, drug products that are more effective or less costly than products which the Company is currently developing or which it may develop.

Established pharmaceutical companies may invest heavily to accelerate the discovery and development of products that could make the Company's products less competitive. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability or safety in order to overcome price competition and to be commercially successful. Accordingly the Company's competitors may succeed in obtaining patent protection, receiving approval from the FDA, EMA or that of another relevant regulatory authority or discovering, developing and commercialising pharmaceutical products before the Company does, which would have a material adverse effect on the Company's business.

The availability and price of the Company's competitors' products could limit the demand, and the price the Company is able to charge, for any of its products, if approved for sale. The Company will not achieve its business plan if acceptance is inhibited by price competition or the reluctance of physicians to switch from existing drug products to the Company's products, or if physicians switch to other new drug products or choose to reserve its products for use in limited circumstances. Competition from lower-cost generic pharmaceuticals may also result in significant reductions in sales volumes or prices for the Company's products, which could materially adversely affect the Company's business, prospects, financial condition and results of operations.

The Company is dependent on third party supply, development and manufacturing and clinical service relationships and on single manufacturing sites for certain products. The Company's business strategy utilises the expertise and resources of third parties in a number of areas, including the conduct of clinical trials, other product development, manufacture and the protection of the Company's intellectual property rights in various geographical locations. This strategy creates risks for the Company by placing critical aspects of the Company's business in the hands of third parties whom the Company may not be able to manage or control adequately and who may not always act in the best interests of the Company.

Where the Company is dependent upon third parties for the development or manufacture of certain products, the Company's ability to procure their development or manufacture in a manner which complies with regulatory requirements may be constrained, and its ability to develop and deliver such material on a timely and competitive basis may be materially adversely affected, which may impact revenues.

Regulatory requirements for pharmaceutical products tend to make the substitution of suppliers and contractors costly and time-consuming. Alternative suppliers may not be able to manufacture products effectively or obtain the necessary manufacturing licences from relevant regulatory authorities. The unavailability of adequate commercial quantities, the inability to develop alternative sources, a reduction or interruption in supply of contracted services, or a significant increase in the price of materials and services, could have a material adverse effect on the Company's ability to manufacture and market its products or to fulfil orders from its distributors or licensees, which in turn would have a material adverse impact on its cash flows.

The expiry of certain intellectual property rights or an inability to obtain, maintain or enforce adequate intellectual property rights for products that are marketed or in development may result in additional competition from other third party products. Third parties may have blocking intellectual property rights which could prevent the sale of products by the Company or require that compensation be paid to such third parties

The extent of the Company's success will, to a significant degree, depend on its ability to establish, maintain, defend and enforce adequate intellectual property rights and to operate without infringing the proprietary or intellectual property rights of third parties. The Company has been granted, or has in-licensed rights under, a number of key patent families for Chemerin (or other proprietary rights), and patent applications are pending in the United States, Europe, and certain other jurisdictions. The Company might develop or acquire further technology or products that are not patentable or otherwise protectable. The strength of patents in the pharmaceutical field involves complex legal and scientific questions and can be uncertain. Patents or other rights might not be granted under any pending or future applications filed or in-licensed by the Company and any claims allowed might not be sufficiently broad to protect the Company's technologies and products from competition. Competitors may also successfully design around key patents held by the Company, thereby avoiding a claim of infringement. There is a risk that not all relevant prior art has been identified with respect to any particular patent or patent application and the existence of such prior art may invalidate any patents granted (or result in a patent application not proceeding to grant). Patents or other registerable rights might also be revoked for other reasons after grant. Third parties may challenge the validity, enforceability or scope of any granted patents. The Company's defence of its proprietary rights could involve substantial costs (even if successful) and could result in declarations of invalidity or significantly narrow the scope of those rights, limiting their value.

Competitors may have filed applications or been granted patents, or obtained additional patents and proprietary rights, which relate to and could be infringed by the Company's products. An adverse outcome with respect to third party rights such as claims of infringement of patents or third-party proprietary rights by the Company could subject the Company to significant liabilities or require the Group to obtain a licence for the continued use of the affected rights, which may not be available on acceptable terms or at all, or require the Company to cease commercialisation and development efforts, or the sale of the relevant products, in whole or in part in the relevant jurisdictions.

The Company could be subject to claims for compensation by third parties claiming an ownership interest in the intellectual property rights relating to a commercially successful product. This may include claims from employee inventors in territories which permit such claims even where the Company owns the intellectual property rights in question. Any such failure to defend the Company's proprietary intellectual property could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company may not be able to obtain, maintain, defend or enforce the intellectual property rights covering its products

To date, the Company has had certain patents licensed to it in jurisdictions it considers to be important to its business. However, the Company cannot predict:

(a) the degree and range of protection any patents will afford against competitors and competing technologies, including whether third parties will find ways to invalidate or otherwise circumvent the patents by developing a competitive product that falls outside its scope;

(b) if, when any patents will be granted;

(c) that granted patents will not be contested, invalidated or found unenforceable;

(d) whether or not others will obtain patents claiming aspects similar to those covered by the Company's patents and patent applications;

(e) whether the Company will need to initiate litigation or administrative proceedings, or whether such litigation or proceedings will be initiated by third parties against the Company, which may be costly and time consuming; and

(f) whether third parties will claim that the Company's technology infringes upon their rights.

Whilst the Directors believe that the Company has novel composition of matter on the Chemerin peptide and novel methods of its use in treating DED, the Directors cannot be sure that these

patent applications will issue as patents. Each patent office has different patentability requirements but the Directors believe that the license patent applications contain patentable subject matter. The process for issuance of a patent involves a correspondence with each local patent office in the jurisdictions in which the patent application is filed. That process, patent prosecution, involves a discussion of any relevant prior art and typically a discussion of the scope of the claims. The patent prosecution process can take several years depending on the jurisdiction and is not in the control of the patent owner, but in the control of the local patent office. The Directors cannot be sure the outcome of the patent prosecution will be successful and result in issued patents.

Patent protection is of importance to the Company in maintaining its competitive position in its planned product lines and a failure to obtain or retain adequate protection could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company may not be able to prevent disclosure of its trade secrets, know-how or other proprietary information ("Confidential Information")

The Company relies on trade secret protection to protect its interests in proprietary know-how and in processes for which patents are difficult to obtain or enforce. If the Company is unable to protect its trade secrets adequately the value of its technology and products could be significantly diminished. Furthermore, the Company's employees, consultants, contract personnel or third-party partners, either accidentally or through wilful misconduct, may cause serious damage to its programmes and/or its strategy by disclosing Confidential Information to third parties. It is also possible that Confidential Information could be obtained by third parties as a result of breaches of the Company's physical or electronic security systems. Any disclosure of confidential data into the public domain or to third parties could allow the third parties to access Confidential Information and use it in competition with the Company. In addition, others may independently discover the Confidential Information. Any action to enforce the Company's rights against any misappropriation or unauthorised use and/or disclosure of Confidential Information is likely to be time-consuming and expensive, and may ultimately be unsuccessful, or may result in a remedy that is not commercially valuable. Any such loss of Confidential Information or failure to enforce the Company's rights in relation to such Confidential Information, or unsatisfactory outcome of any related litigation could have a material adverse effect on the Company's business, prospects, financial condition or results of operation.

The Company's products could infringe patents and other intellectual property rights of third parties

The Company's commercial success depends upon its ability, and the ability of any third party with which it may partner to develop, manufacture, market and sell its products and use its patent-protected technologies without infringing the patents of third parties.

The Company's products may infringe or may be alleged to infringe existing patents or patents that may be granted in the future which may result in costly litigation and could result in the Company having to pay substantial damages or limit the Company's ability to commercialise its products.

Because some patent applications in Europe, the US and many foreign jurisdictions may be maintained in secrecy until the patents are issued, patent applications in such jurisdictions are typically not published until 18 months after filing, and publications in the scientific literature often lag behind actual discoveries. Accordingly, the Company cannot be certain that others have not filed patents that may cover its technologies, its products or the use of its products. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover the Company's technologies, its products or the use of its products. As a result, the Company may become party to, or threatened with, future adversarial proceedings or litigation regarding patents with respect to its products and technology.

If the Company is sued for patent infringement, the Company would need to demonstrate that its products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid, and the Company may not be able to do this. If the Company is found to infringe a third party's patent, the Company could be required to obtain a licence from such third party to continue developing and marketing its products and technology or the Company may elect to enter into such a licence in order to settle litigation or in order to resolve disputes prior to litigation. However, the Company may not be able to obtain any required licence on commercially reasonable terms or at all. Even if the Company is able to obtain a licence, it could be non-exclusive, thereby giving its competitors access to the same technologies licensed to the Company,

and could require the Company to make substantial royalty payments. The Company could also be forced, including by court order, to cease commercialising the infringing technology or products. A finding of infringement could prevent the Company from commercialising its products or force the Company to cease some of its business operations, which could materially harm its business. Claims that the Company has misappropriated the confidential information or trade secrets of third parties could have a similarly negative impact on its business.

Any such claims are likely to be expensive to defend, and some of its competitors may be able to sustain the costs of complex patent litigation more effectively than the Company can because they have substantially greater resources. Moreover, even if the Company is successful in defending any infringement proceedings, it may incur substantial costs and divert management's time and attention in doing so, which could materially adversely affect the Company's business, prospects, results of operations or financial condition.

Risks relating to managing growth, employee matters and other risks relating to the Company's business

Growth may place significant demands on the Company's management and resources. The Company expects to experience growth in the number of its employees and the scope of its operations in connection with the continued development and, in due course, the potential commercialisation of its products.

This potential growth will place a significant strain on its management and operations, and the Company may have difficulty managing this future potential growth.

The Company is highly dependent on its current Directors and senior management ("**Senior Management**") as set out in *Part VII – Background to the Acquisitions and Admission* of this document and their services are critical to the successful implementation of its product development and regulatory strategies. Whilst suitable contracts of employment are in place including six to 12 months' notice periods for all Directors and Senior Management, they may give notice to terminate their employment with the Company at any time. The loss of the services of any of the Directors or Senior Management and its inability to find suitable replacements could harm its business, prospects, financial condition, results of operations and ability to achieve the successful development or commercialisation of its products.

Challenges in identifying and retaining key personnel could impair the Company's ability to conduct and grow its operations effectively. The Company's ability to compete in the highly competitive pharmaceutical industry depends upon its ability to attract and retain highly qualified management and sales teams. The Company is intending to recruit its own commercial team and expand its existing central infrastructure team. Many of the other pharmaceutical companies and academic institutions that the Company competes against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than it does. The Company might not be able to attract or retain these key persons on conditions that are economically acceptable. The inability of the Company to attract and retain these key persons could have a material adverse effect on its business, prospects, financial conditions and results of operation.

The Company may become subject to product liability claims

The Company faces an inherent risk of product liability and associated adverse publicity as a result of the clinical testing of its products and sales of its products once marketing approval is received from relevant regulatory authorities.

Criminal or civil proceedings might be filed against the Company by study subjects, patients, relevant regulatory authorities, pharmaceutical companies, and any other third party using or marketing its products. Any such product liability claims may include allegations of defects in manufacturing or design, negligence, strict liability, a breach of warranties and a failure to warn of dangers inherent in the product.

If the Company cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit commercialisation of its products, if approved. Even if the Company successfully defends itself against such product liability claims it could require significant financial and management resources. Regardless of the merits or eventual outcome, product liability claims may result in:

(a) decreased demand for its products due to negative public perception;

(b) injury to the Company's reputation;

(c) withdrawal of clinical study participants or difficulties in recruiting new study participants;

(d) initiation of investigations by regulators;

(e) costs to defend or settle the related litigation;

(f) diversion of management's time and the Company's resources;

(g) substantial monetary awards to patients, study participants or subjects;

(h) product recalls, withdrawals or labelling, marketing or promotional restrictions;

(i) loss of revenues from product sales; or

(j) the inability to commercialise any of the Group's products, if approved.

Although the Company will maintain levels of insurance customary for its sector to cover its current and future business operations, any claim that may be brought against the Company could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by its insurance or that is in excess of the limits of its insurance coverage. Its insurance policies also have various exclusions, and the Company may be subject to a product liability claim for which the Company has no coverage. In such cases, the Company would have to pay any amounts awarded by a court or negotiated in a settlement that exceed its coverage limitations or that are not covered by its insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts.

If the Company or its partners, licensees and subcontractors were unable to obtain and maintain appropriate insurance coverage at an acceptable cost, or to protect themselves in any way against actions for damages, this would seriously affect the marketing of the Company's products and, more generally, be detrimental to its business, prospects, results of operations or financial condition.

The Company's employees, contractors, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards

The Company is exposed to the risk of employees, independent contractors, principal investigators, consultants, commercial partners or vendors engaging in fraud or other misconduct. Misconduct could include intentional failures to comply with FDA or EMA regulations or those of other relevant regulatory authorities, to provide accurate information to the FDA, EMA or other relevant regulatory authorities, or to comply with manufacturing standards the Company has established.

In particular, sales, marketing and business arrangements in the life sciences and biotechnology sector are subject to extensive laws and regulations intended to prevent fraud, misconduct, bribery and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programmes and other business arrangements.

Employee misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and serious harm to the Company's reputation. It is not always possible to identify and deter employee misconduct, and the precautions the Company takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental or relevant regulatory authority investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of significant fines or other sanctions, and its reputation.

The Company may be vulnerable to disruptions of information technology systems or breaches of data security. The Company is dependent on information technology systems and infrastructure to operate its business. In the ordinary course of its business, the Company collects, stores and transmits confidential information, including intellectual property, proprietary business information and personal information. It is important that the Company does so in a secure manner to maintain confidentiality and integrity of such confidential information. Any failure to do so could adversely affect the Company's business, prospects, results of operation or financial condition.

RISKS RELATING TO THE ORDINARY SHARES

The proposed Standard Listing of the Ordinary Shares will afford Shareholders a lower level of regulatory protection than a Premium Listing

Application will be made for the Ordinary Shares to be admitted to the Standard Listing segment of the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in *Part III – Consequences of a Standard Listing* of this document.

If the Company proposes making a further acquisition and the FCA determines that there is insufficient information in the market about that acquisition or the target, the Ordinary Shares may be suspended from listing or cancelled and may not be readmitted to listing thereafter, which will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them

Following Admission, any further investment or acquisition has the potential to be treated as a reverse takeover for the purposed of the Listing Rules depending upon the size of that acquisition. Generally, when a reverse takeover for the purposes of the Listing Rules is announced or leaked, there will be insufficient publicly available information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately. In this case, the FCA will often consider that suspension of the listing of the listed company's securities will be appropriate. The London Stock Exchange will suspend the trading in the listed company's securities if the listing of such securities has been suspended. However, if the FCA is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the listed company that a suspension is not required. The FCA will generally be satisfied that a suspension is not required in the following circumstances: (i) the target company is admitted to listing on a regulated market or another exchange where the disclosure requirements in relation to financial information and inside information are not materially different than the disclosure requirements under the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA (the "**Disclosure Guidance and Transparency Rules**" or "**DTRs**"); or (ii) the issuer is able to fill any information gap at the time of announcing the terms of the transaction, including the disclosure of relevant financial information in relation to the target and a description of the target.

If information regarding a significant proposed transaction were to leak to the market, or the Board considered that there were good reasons for announcing the transaction at a time when it was unable to provide the market with sufficient information regarding the impact of the transaction on its financial position, the Ordinary Shares may be suspended. Any such suspension would be likely to continue until sufficient financial information on the transaction was made public. Depending on the nature of the transaction (or proposed transaction) and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant information, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide under the Disclosure Guidance and Transparency Rules and the Listing Rules (for example, where the target business is not itself already subject to a public disclosure regime), and the period during which the Ordinary Shares would be suspended may therefore be significant.

Furthermore, the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, the Company will be required to seek admission to listing as a new applicant either simultaneously with completion of any such acquisition or as soon thereafter as is possible but there is no guarantee that such admission would be granted.

A suspension or cancellation of the listing of the Ordinary Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation.

There may be a limited market for the Ordinary Shares. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

The price of the Ordinary Shares after Admission can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business

condition and the release of its financial reports. Although the Company's current intention is that its Ordinary Shares should continue to trade on the Main Market of the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

The pre-suspension share price may not reflect the actual price of the Ordinary Shares

On Admission, there is no certainty that the share price will be valued on the same basis as it was when trading on AIM, a market of the London Stock Exchange (the "**AIM**"), and so it is possible that the price of the Ordinary Shares may fall on later dates.

The Company is a small company and so carries consequential financial risk

At Admission, the Company will be one of the smaller companies listed on the Main Market of the London Stock Exchange. Further, pending any future fundraising (the success of which cannot be assured), the Company will have limited cash and other resources with which to pursue its strategic objectives. Smaller companies have historically often encountered difficulty when seeking to raise significant amounts of capital to develop their businesses and their shares may lack liquidity.

The Company may be unable or unwilling to transition to a Premium Listing in the future

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be obtained. If the Company does not obtain a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time following a further acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to obtain a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares.

Substantial future sales or additional offerings of Ordinary Shares could impact the market price of Ordinary Shares

The Board cannot predict what effect, if any, future sales of Ordinary Shares, or the availability of Ordinary Shares for future sale, or the offer (by way of further issuance) of additional Ordinary Shares in the future, will have on the market price of Ordinary Shares. Sales or an additional offering of substantial numbers of Ordinary Shares in the public market, or the perception or any announcement that such sales or an additional offering could occur, could adversely affect the market price of Ordinary Shares and may make it more difficult for Shareholders to sell their Ordinary Shares at a time and price which they deem appropriate.

The Company may be required to raise cash through issuing substantial additional equity, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares

The Directors believe that further equity capital raisings will be required by the Company in order to develop the Chemerin Project to commercial viability (or develop any other asset or product acquired by the Company), which may be substantial. If the Company does offer its Ordinary Shares as consideration in making investments, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the Shareholders and also dilute the value of Ordinary Shares held by such Shareholders at the time. If a target has a large shareholder, the Company's issue of Ordinary Shares may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence in the Company. Pre-emptive rights in favour of existing shareholders have been dis-applied in the Company's new articles of association adopted on 9 March 2018 (the "**New Articles**"), however the Directors intend to introduce pre-emptive rights in favour of existing shareholders at the next annual general meeting of the Company subject to a disapplication to the extent of authorising the

Company to issue shares on a non-pre-emptive basis equal to 20% of the shares in issue upon Admission. It is the intention of the Directors to seek renewal of this authority annually thereafter. The current and any future disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of Ordinary Shares, or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved. Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares, can go down as well as up.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable.

The market in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this may contribute to infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Even if an active trading market develops, the market price for the Ordinary Shares may fall.

The Company has a significant number of outstanding warrants and share options which, if exercised and/or converted could have a substantial dilutive effect on existing Shareholders

The Company has issued warrants in connection with previous fundraisings, and in connection with the acquisition of the Chemerin Project. The Company has 35,000,000 warrants outstanding most with an exercise price of 4.5 pence per Ordinary Share. The Company also has granted 26,261,667 share options to acquire Ordinary Shares at prices between 4.5 pence and 7 pence to former and current Directors, members of Senior Management and to certain consultants. The combined dilutive effect of these convertible instruments would have significant dilutive effect upon existing Shareholders and may impact both the future share price and the ability of attract new investors or sources of equity to invest in the Company.

There may be volatility in the value of an investment in Ordinary Shares and the market price for Ordinary Shares may fluctuate

The market price for the Ordinary Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Group's control, including the following: (i) developments in trials connected with the Chemerin Project, the outcome of those trials and regulatory developments as and when the Chemerin Project reaches the stage of clinical trials; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (iv) addition or departure of the Company's Directors, Senior Management and other key personnel; (v) sales or perceived sales of additional Ordinary Shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (vii) changes in laws, rules and regulations applicable to the Company; (viii) general economic, political and other conditions; (ix) the Company's involvement in any litigation; and (x) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's sector or target markets.

Financial markets have experienced significant price and volume fluctuations in the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Ordinary Shares may decline even if the Company's results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Also, certain institutional investors may base their investment decisions on consideration of the Company's governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Ordinary Shares by those institutions, which could adversely affect the trading price of the Ordinary Shares. There can be no assurance that continuing fluctuations in the price and volume

of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Ordinary Shares may be adversely affected.

The Company does not currently intend to pay dividends and its ability to pay dividends in the future may be limited

The Company has never declared or paid any dividends on the Ordinary Shares. The Company has no current intention to pay dividends and a dividend may never be paid. Any decision to declare and pay dividends will be made at the discretion of the Board.

If the Company is wound up, distributions to Shareholders will be subordinated to the claims of creditors

On a winding-up of the Company, holders of the Ordinary Shares will be entitled to be paid a distribution out of the assets of the Company available to its members only after the claims of all creditors of the Company have been met.

Shareholders may be exposed to fluctuations in currency exchange rates

The Ordinary Shares are priced in Pounds Sterling and will be quoted and traded in Pounds Sterling. Accordingly, a Shareholder whose functional or local currency is a currency other than Pounds Sterling is subject to risks arising from adverse movements in such currency against Pounds Sterling, which may reduce the value of the Ordinary Shares in such currency.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of a Shareholder residing in, or subject to, any jurisdiction outside the United Kingdom (the "**UK**") (an "**Overseas Shareholder**") to bring an action against the Company may be limited under law. The Company will be a limited company incorporated in Guernsey. The rights of holders of Ordinary Shares with effect from Migration are set out in the New Articles and are governed by Guernsey law. These rights may differ from the rights of shareholders in UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and Senior Management. It may not be possible for an Overseas Shareholder to effect service of process upon the Directors and Senior Management within the Overseas Shareholder's country of residence or to enforce against the Directors and Senior Management judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than Guernsey against the Directors or Senior Management who are residents of the Guernsey or countries other than those in which judgment is made. In addition, Guernsey or other courts may not impose civil liability on the Directors or Senior Management in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in Guernsey or other countries.

RISKS RELATING TO TAXATION

The Company may be classified as a passive foreign investment company for United States federal income tax purposes

Prospective investors are also notified that the Company may be classified as a passive foreign investment company for US federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to US holders of Ordinary Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares for any year in which the Company is a passive foreign investment company.

PART III – CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. Listing Principles 1 and 2 as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company must comply with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Admission;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that the Chemerin Acquisition will not require Shareholder consent, unless in future transactions Ordinary Shares are being issued as consideration for an investment or acquisition and the number of Ordinary Shares to be issued exceeds the current authorities granted to the Directors;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a ''related party transaction'' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Board;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Following a further investment or acquisition, the Company's Standard Listing may be cancelled if the transaction constitutes a reverse takeover for the purposes of the Listing Rules. In such circumstances the Company will be treated as a new applicant. At that point the Directors may seek admission to a Standard Listing or as a Premium Listing or another appropriate listing venue, based on the track record of the company or business it invests in or acquires, subject to fulfilling the relevant eligibility criteria at the time. Alternatively, it may determine to seek re-admission to a Standard Listing, subject to eligibility criteria. If admission with a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to seek a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure Guidance and Transparency Rules) in the same manner as any other company with a Premium Listing. There can be no guarantee that once an investment or acquisition is completed and the Company loses its Standard Listing that it will be eligible for admission to any public market.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this document are themselves misleading, false or deceptive.

PART IV – IMPORTANT INFORMATION

The distribution of this document may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document in any other country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and this document may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document has been approved by the FCA as a prospectus, but is not being used by the Company to offer securities to the public for the purposes of section 85 of FSMA and the Prospectus Directive. No arrangement has been made with any competent authority in any other European Economic Area ("**EEA**") State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any jurisdiction.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding Admission or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The Broker does not accept any responsibility or liability whatsoever for the contents of this document, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or Admission and nothing in this document will be relied upon as a promise or representation in this respect, whether or not in the past or future. The Broker accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any such statement. No representation or warranty, express or implied, is made by the Broker as to the accuracy or completeness of information contained in this document and nothing in this document is, or shall be relied upon as, a representation by the Broker.

For the attention of all investors

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any investment in Ordinary Shares. In making an investment decision, each investor must rely on his or her own examination, analysis and enquiry of the Company, including the merits and risks involved.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved. It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

Although the Company will seek to minimise the impact of the risk factors set out in *Part II – Risk Factors* of this document, investment in the Company should only be made by investors able to sustain a catastrophic and total loss of their investment. Potential investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

Forward-looking statements

This document includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of

forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the board of Directors of the Company (the "**Board**") concerning, *inter alia*: (i) the Company's objectives, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the 'Risk Factors' set out in *Part II – Risk Factors* of this document for a discussion of additional factors that could cause the Company's actual results to differ materially from expectations, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading 'Forward-looking statements' constitutes a qualification of the working capital statement set out in paragraph 15 of *Part XIV – Additional Information* of this document. Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

(a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;

(b) carrying out the business of the Company and the administering of interests in the Company;

(c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and

(d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

(a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

(b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data. In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Presentation of financial information

Prospective investors should consult their own professional advisers to gain an understanding of the financial information contained in this document. An overview of the basis for presentation of financial information in this document is set out below. *Part XVII – Historical Financial Information* of this document presents the consolidated audited historical financial information of the Group for the years ended 31 March 2015, 31 March 2016 and 31 March 2017, and consolidated unaudited historical financial information of the Group for the six month period ended 30 September 2017. The financial and volume information in the Prospectus, including in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. The sum of the numbers in a column in a table may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

***Pro forma* wording**

In this document, any reference to '*pro forma*' financial information is to information which has been extracted without material adjustment from the unaudited *pro forma* financial information contained in *Part XI – Unaudited Pro Forma Financial Information* of this document. The unaudited *pro forma* statement of net assets of the Company has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Rules and should be read in conjunction with the notes set out in *Part XI – Unaudited Pro Forma Financial Information* of this document. The unaudited *pro forma* statement of financial position has been prepared to illustrate the effect of the Chemerin Acquisition and the BAM-8 Acquisition, following the completion of the Disposal, on the net assets of the Company as if it had taken place on 30 September 2017. By its nature, the unaudited *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position nor is it indicative of the results that may or may not be expected to be achieved in the future.

Market data

Where information contained in this document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The New Articles permit the holding of Ordinary Shares under the CREST System. The Ordinary Shares are admitted to CREST and accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any investor so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the CREST Regulations) in relation to CREST.

Transferability

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

International Financial Reporting Standards

As required by the Guernsey Companies Law and Article 4 of the EU International Accounting Standards Regulation, the financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU.

No incorporation of website

The contents of the Company's website (www.okyopharma.com), any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document, and prospective investors should not rely on them.

Definitions

A list of defined terms used in this document is set out in 'Definitions' at *Part XV – Definitions* of this document.

Currency

Unless otherwise indicated, all references in this document to:

- "**Pounds Sterling**", "**£**", "**pence**" or "**p**"" is to the lawful currency of the UK; and
- "**US Dollars**", "**US$**" or "**$**" is to the lawful currency of the US.

Scientific publications

This document includes scientific data from the following publications:

1. Ji, R. R., Xu, Z. Z., Strichartz, G., and Serhan, C. N. (2011) Emerging roles of resolvins in the resolution of inflammation and pain. *Trends Neurosci.* 34, 599-609.
2. Xu, Z. Z., Zhang, L., Liu, T., Park, J. Y., Berta, T., Yang, R., Serhan, C. N., and Ji, R. R. (2010) Resolvins RvE1 and RvD1 attenuate inflammatory pain via central and peripheral actions. *Nat. Med.* 16, 592-597.
3. Yoshimura, T., and Oppenheim, J. J. (2011) Chemokine-like receptor 1 (CMKLR1) and chemokine (C-C motif) receptor-like 2 (CCRL2): two multifunctional receptors with unusual properties. *Exp. Cell Res.* 317, 674-684.
4. Du, X. Y., and Leung, L. L. (2009) Proteolytic regulatory mechanism of chemerin bioactivity. *Acta Biochim. Biophys. Sin.* 41, 973-979.
5. Wittamer, V., Grégoire, F., Robberecht, P., Vassart, G., Communi, D., and Parmentier, M. (2004) The C-terminal nonapeptide of mature chemerin activates the chemerin receptor with low nanomolar potency. *J. Biol. Chem.* 279, 9956-9962.
6. Harwood, B. N., Fortin, J. P., Gao, K., Chen, C., Beinborn, M., and Kopin, A. S. (2013) Membrane tethered bursicon constructs as heterodimeric modulators of the *Drosophila* G protein-coupled receptor rickets. *Mol. Pharmacol.* 83, 814-821.
7. Chou, K. C., and Elrod, D. W. (1999) Prediction of membrane protein types and subcellular locations. *Proteins* 34, 137-153.
8. Zhang, L., and Bulaj, G. (2012) Converting peptides into drug leads by lipidation. *Curr. Med. Chem.* 19, 1602-1618.
9. Weinstock, M. T., Francis, J. N., Redman, J. S., and Kay, M. S. (2012) Protease-resistant peptide design-empowering nature's fragile warriors against HIV. *Biopolymers* 98, 431-442.
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11. Zhuang, Z. Y., Wen, Y. R., Zhang, D. R., Borsello, T., Bonny, C., Strichartz, G. R., Decosterd, I., and Ji, R. R. (2006) A peptide c-Jun N-terminal kinase (JNK) inhibitor blocks mechanical allodynia after spinal nerve ligation: respective roles of JNK activation in primary sensory neurons and spinalastrocytes for neuropathic pain development and maintenance. *J. Neurosci.* 26, 3551-3560.
12. Shimamura, K., Matsuda, M., Miyamoto, Y., Yoshimoto, R., Seo, T., and Tokita, S. (2009) Identification of a stable chemerin analog with potent activity toward ChemR23. *Peptides* 30, 1529-1538.
13. Jacobsen, E. A., Ochkur, S. I., Lee, N. A., and Lee, J. J. (2007) Eosinophils and asthma. *Curr. Allergy Asthma Rep.* 7, 18-26.

14. Wittamer, V., Franssen, J. D., Vulcano, M., Mirjolet, J. F., Le Poul, E., Migeotte, I., Brézillon, S., Tyldesley, R., Blanpain, C., Detheux, M., Mantovani, A., Sozzani, S., Vassart, G., Parmentier, M., and Communi, D. (2003) Specific recruitment of antigen-presenting cells by chemerin, a novel processed ligand from human inflammatory fluids. *J. Exp. Med.* 198, 977-985.

15. Bondue, B., Wittamer, V., and Parmentier, M. (2011) Chemerin and its receptors in leukocyte trafficking, inflammation and metabolism. *Cytokine Growth Factor Rev.* 22, 331-338.

16. Albanesi, C., Scarponi, C., Pallotta, S., Daniele, R., Bosisio, D., Madonna, S., Fortugno, P., Gonzalvo-Feo, S., Franssen, J. D., Parmentier, M., De Pita', O., Girolomoni, G., and Sozzani, S. (2009) Chemerin expression marks early psoriatic skin lesions and correlates with plasmacytoid dendritic cell recruitment. *J. Exp. Med.* 206, 249-258.

17. Ernst, M. C., and Sinal, C. J. (2010) Chemerin: at the crossroads of inflammation and obesity. *Trends Endocrinol. Metab.* 21, 660-667.

18. Ishida, T., Yoshida, M., Arita, M., Nishitani, Y., Nishiumi, S., Masuda, A., Mizuno, S., Takagawa, T., Morita, Y., Kutsumi, H., Inokuchi, H., Serhan, C. N., Blumberg, R. S., and Azuma, T. (2010) Resolvin E1, an endogenous lipid mediator derived from eicosapentaenoic acid, prevents dextran sulfate sodium-induced colitis. *Inflamm. Bowel Dis.* 16, 87-95.

PART V – EXPECTED TIMETABLE OF EVENTS, ADMISSION STATISTICS AND DEALING CODES

EXPECTED TIMEABLE OF EVENTS

Publication of this document	12 July 2018
Admission and dealings expected to commence in the Ordinary Shares on the Main Market of the London Stock Exchange	17 July 2018

References to time in this document are to London time unless otherwise stated.
Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

ADMISSION STATISTICS

Total number of Ordinary Shares in issue at Admission[(1)]	523,595,417
Total number of warrants in issue at Admission[(2)]	35,000,000
Total number of share options in issue at Admission	26,261,667
Market capitalisation at Admission[(2)]	£7.85m

(1) In accordance with Listing Rule 4.2.2, at Admission at least 25% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules). Total number includes 388,395,417 existing Ordinary Shares and 135,000,000 Consideration Shares.

(2) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. The market price per Ordinary Share may fall below the market price preventing immediately prior to the suspension of the Company's listing on AIM on 21 February 2018.

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows at Admission:

TIDM	OKYO
ISIN	GG00BD3FV870
SEDOL	BD3FV87

PART VI – DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Willy Simon, *Executive Chairman* Dr. Kunwar Shailubhai, *Non-Executive Director* Leopoldo Zambeletti, *Non-Executive Director*
Company Secretary	Cooley Services Limited Dashwood 69 Old Broad Street London EC2M 1QS
Registered Office	Martello Court Admiral Park St. Peter Port Guernsey GY1 3HB
Broker	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
Legal Advisers to the Company as to English law	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS
Legal Advisers to the Company as to Guernsey law	Carey Olsen Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Auditor and Reporting Accountant	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM99 1HN
Registrars	Computershare Investor Services (Guernsey) Limited 1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB

PART VII – BACKGROUND TO THE ACQUISITIONS AND ADMISSION

1. Introduction

The Company announced on 9 March 2018 that it had sought and obtained the approval of Shareholders for certain proposals to enable the Company to seek admission to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange, including the proposal to register the Company in Guernsey (by way of a continuation out of the British Virgin Islands ("**BVI**") and migration into Guernsey) (the "**Migration**"). Migration occurred on 3 July 2018 and it is expected that Admission will become effective and dealings in the Ordinary Shares will commence on or around 17 July 2018.

On 1 May 2018, the Company acquired the Chemerin Project and the BAM-8 Project.

You should read the whole of this document and not just rely on the information contained in this *Part VII – Background to the Acquisitions and Admission* of this document. In particular, you should consider carefully the 'Risk Factors' set out in *Part II – Risk Factors* of this document.

2. Background

The Company was original incorporated as Jellon Enterprises Inc. on 4 July 2007 and changed its name to Minor Metals and Mining Inc. on 24 October 2007, to Emerging Metals Limited on 28 November 2007, to West African Minerals Corporation on 9 December 2011 and to OKYO Pharma Corporation on 10 January 2018. On 9 March 2018 shareholders approved the cancellation of the Company's AIM listing and migration.

The Company was set up with an investing policy and strategic objective to acquire holdings in natural resources and/or physical resource assets as an investing company. The Company initially focussed on projects in Sierra Leone and latterly Cameroon.

On 12 May 2017, the Company announced the results of a scoping study on the Company's Cameroon licences, comprising mainly the Sanaga iron ore project located near the Port of Douala, Cameroon (the "**Sanaga Project**") which had been prepared by Royal HaskoningDHV in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves or JORC Code (2012) (the "**Scoping Study**"). Whilst many of the findings were encouraging, the anticipated costs of progressing the Sanaga Project to the production stage were estimated at between US$194 million to US$298 million. Commercial viability and more importantly, the ability to raise sufficient equity capital for the mine development phase proved to be difficult in the existing market conditions. The Scoping Study was based on a long-term forecast of 69% fee concentrate (CFR China) of US$112/tonne and estimated operating costs per concentrate tonne of between US$76.55 and US$82.20. as prevailing iron ore prices remained substantially below the long-term price of US$112/tonne used in the Scoping Study.

Against this background it was difficult to take funding for the Sanaga Project forward in any commercially justifiable way. The Board as constituted at the time was of the view that ultimately the Sanaga Project would be developed but was unable to give any firm timeframe and, accordingly, concluded that it was not an asset suited to underpin a public company, particularly given the ongoing costs of operating a listing on AIM.

The Board as constituted at the time therefore reached the view that the best option was to pursue a new strategy, and that this strategy would not include the Sanaga Project.

The Board as constituted at the time had been informed by certain major Shareholders that they had no interest in pursuing the Sanaga Project as an asset of the Company, and was of the view that there was potentially some albeit limited long-term value in the Sanaga Project and that it should be preserved for Shareholders under direct ownership. This was achieved by the *in specie* distribution of the shares in Ferrum (which held the Sanaga Project) to all Shareholders (the "**Disposal**"), as the Directors believed that all Shareholders should share directly in any future potential.

In January 2017, having conducted a capital reduction to create the required distributable reserves, the Company put proposals to Shareholders to effect the Disposal and make significant changes to the Board. These proposals were approved by Shareholders on 10 January 2018 and have been implemented in full.

The Disposal constituted a "disposal resulting in a fundamental change of business" under Rule 15 of the AIM Rules for Companies. As a result of the Disposal, the Company became an AIM

Rule 15 cash shell and consequently had six months to either complete a reverse takeover for the purposes of the AIM Rules for Companies, convert into an AIM Rule 8 investing company or be suspended from trading on AIM.

Having considered the options available to the Company, the decision was taken by the Directors to pursue the Chemerin Project, which the Directors had identified as being an interesting opportunity in the life sciences and biotechnology sector with near-term opportunity for commercialisation, and to leave AIM and seek admission to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange.

The Directors also considered the domicile of the Company and, influenced by a strong desire to enhance corporate governance and afford shareholders the protections and transparency they should expect from a company whose shares are traded on a stock exchange, decided that it was prudent to migrate the Company to Guernsey and to adopt certain shareholder protections which are set out in the Company's constitution adopted on Migration.

Throughout its life, until Migration, the Company was incorporated in the British Virgin Islands and Shareholders have been deprived of what the current Directors consider to be adequate rights and protections. In particular the Company, as a BVI entity, was not subject to the protections afforded by the Takeover Code and no equivalent protections were ever included in the Company's constitution; the Company was not required by BVI law to hold annual general meetings and in recent history the Company has not voluntarily convened an annual general meeting to give Shareholders the ability to hold the Directors to account; and, as a BVI company, Shareholders had no control over the ability of the Directors to issue further shares nor any ability to exercise pre-emptive rights.

By migrating to Guernsey the Company will become subject to the Takeover Code on Admission and Shareholders will have the benefit of the comprehensive protections that this affords to the right of equality of treatment. Guernsey companies are also required to hold annual general meetings which give Shareholders an opportunity to exercise their rights to hold the Directors to account. The Directors will take steps at the next annual general meeting to enshrine pre-emption rights in the Company's constitution and whilst the Directors will seek a modest authority to disapply those pre-emption rights on an annual basis, the sanction of any further disapplication in the future will be a matter for Shareholder approval.

Guernsey was not selected as a jurisdiction for migration on any tax driven basis; the Company will be tax resident in the United Kingdom and not in Guernsey. Guernsey was selected on the basis that it is a jurisdiction which allows ''continuation'' of a BVI company (which is not possible, for example, with England and Wales) and a jurisdiction where the Takeover Code applies to listed companies.

3. The Chemerin Project

The Chemerin Project comprised the acquisition, by way of exclusive licence, of a modified 9-amino acid lipidated peptide which has potential for development as an anti-inflammatory, initially, for the treatment of corneal inflammation and DED.

The Board assessed the Chemerin Project and concluded that it was an attractive opportunity for a number of reasons. The Board had resolved to identify opportunities in the life sciences and biotechnology sector where there was a high potential for meaningful clinical benefit; compelling pre-clinical data; clear measures for evaluation in clinical trials; and a potential for a short development cycle from the clinic to the filing of an IND. Further detail of the business strategy is set out below.

Many diseases and potential drug candidates are capable of making significant and radical changes in methodologies of treatment, however, many of these products, dependent in part upon the indication they are targeted to treat, can involve many years of clinical trials to establish the safety and efficacy profiles that are required for commercialisation.

Given the Company's previous history and the considerable length of time spent upon exploration and assessment of Sierra Leone and Cameroon and which have ultimately led to little value for Shareholders, the new Board decided to particularly focus on opportunities in the life sciences and biotechnology sector which were capable of rapid or accelerated development on the basis of indication, unmet medical need or the potential comparative simplicity of the clinical trial process. Whilst the Board are mindful that such a strategy may ultimately lead to failure, in that there can be no guarantee that any candidate acquired and developed will prove efficacious, safe and

capable of commercialisation, the Board has identified the Chemerin Project as an initial candidate which meets the criteria set and which also has the potential for development in additional and alternative indications should initial trials deliver positive results.

Accordingly, the Company has become, as a consequence of the acquisition of the Chemerin Project, a speciality pharmaceutical company focused on the development and commercialisation of inflammation suppression pharmaceuticals with an initial focus on ocular applications.

4. Structure of the Chemerin Acquisition

The Directors are very mindful that investing in opportunities in the life sciences and biotechnology sector carries a very high degree of risk and that this is accentuated in the case of opportunities which have not yet reached the stage of clinical trials in humans. The Board have reviewed the research to date on the Chemerin Project and took advice on the strength of the intellectual property protection relating to it, and concluded that the opportunity met the criteria which the Board established and against which potential opportunities would be considered and evaluated.

The terms under which the rights to the Chemerin Project has been acquired are accordingly structured so that significant element of the consideration is deferred and made conditional upon clinical and financial milestones. The Chemerin Project was acquired from Panetta Partners Limited ("**Panetta**") and certain persons involved in the scientific development of the Chemerin Project (together, the "**Vendors**"). The terms of the acquisition agreement (the "**Chemerin Acquisition Agreement**") provided for the payment of US$450,000 in cash to Panetta to reimburse Panetta for its cash outlay in discharging costs and expenses of conducting the research program and in fees relating to patent applications prior to the acquisition.

In addition to the cash consideration Panetta received 135,000,000 Ordinary Shares credited as fully paid (the "**Consideration Shares**").

The underlying scientific founders of the Chemerin Project, who will continue to be involved in the development of the Chemerin Project, received warrants as consideration (the "**Scientific Warrants**"). The 35,000,000 Scientific Warrants are exercisable at a price of 4.5 pence each and are split into four distinct tranches and each tranche becomes exercisable upon satisfaction of a specific developmental milestone. The Scientific Warrants are freely transferable. The milestones for the Scientific Warrants are as follows:

(i) 5,000,000 Scientific Warrants shall become exercisable on the completion of a successful Phase I clinical study of the Chemerin Project demonstrating safety and tolerance with regard to toxicity;

(ii) 5,000,000 Scientific Warrants shall become exercisable on the establishment of proof-of-concept in either a Phase II or pre-Phase II clinical trial of the Chemerin Project (regardless of the inclusion of dose escalation);

(iii) a further 10,000,000 Scientific Warrants shall become exercisable on a Phase II human clinical trial of the Chemerin Project demonstrating safety and statistical efficacy in the indication of DED; and

(iv) the final 15,000,000 Scientific Warrants shall become exercisable upon approval of a new drug application with the FDA ("**NDA**") for the use of the Chemerin Project in the treatment of DED.

The Directors have structured the Chemerin Acquisition in this way to ensure that the Company's obligation to deliver consideration is also dependent upon the clinical and financial success of the Chemerin Project and to align the financial interests of the Shareholders with those involved in the scientific development of the Chemerin Project. Accordingly the scientific team behind the Chemerin Project will only derive value from the Chemerin Project if Shareholders also see similar incremental increases in value.

The Company's key product is Chemerin, a long-acting high potency, lipidated peptide, developed using a novel technology.

Further information on the Chemerin Project, clinical findings to date, initial development plans and the regulatory and operating environment are given in *Part IX – Regulatory and Operating Environment* of this document.

5. The BAM-8 Project

The issue of addiction to opioid painkillers and analgesics is becoming an increasing cause for concern in both the US and Europe. There is clearly an urgent need for more effective, long acting non-opioid therapeutics which do not carry the addictive properties of current opioid-based treatments.

G protein-receptors have received recent attention due to their role in modulating nociception. However the therapeutic effects are currently short-lived, necessitating the development of longer acting and more stable analogs targeting those receptors. Dr. Alan Kopin and Dr. Benjamin Harwood (who developed the intellectual property underlying the Chemerin Project) (the "**Scientific Consultants**") have also been working to modify endogenous BAM-8 to generate a higher potency stable analog that anchors in the cell membrane and provides local activity. The Directors believe that this molecule is highly promising as a novel non-opioid analgesic and have entered into a licence agreement with Tufts Medical School Inc. to further develop this research with a view to ultimate commercialisation should a further series of animal trials show efficacy. BAM-8 will form part of the Company's future pipeline of developmental product candidates.

6. The business strategy

The Company's new business model is to develop and commercialise a portfolio of novel product candidates based on a focused set of criteria which the Board has adopted and which the Directors believe will provide the best chance of success:

- high potential for meaningful clinical benefit;
- compelling pre-clinical data;
- clear measures for evaluation in clinical trials; and
- comparatively short development plan to IND.

The Company's initial focus will be on the development of Chemerin for the indication of DED. The Company has also acquired the rights to BAM-8 which the Directors intend the Company to develop as a non-opioid analgesic. Set out below is a table summarising the Company's current development programs:

	Stage of Development				
Product Candidate (Indication)	**Discovery**	**Lead Optimisation**	**IND-Enabling**	**Safety/ Toxicity in animals models**	**Expected IND submission**
Chemerin (DED)					1H 2020
BAM-8 (Non-opiod analgesic)					2H 2020

The Company's product candidates are all based upon vectors of action involving G protein receptors. Further information concerning the scientific background to methods of action and scientific discovery work to date, together with further information on our primary targeted indication, the treatment of DED, are given in *Part VIII – Further Information on the Chemerin Project* of this document.

Academic Collaboration

The Sackler School was established by the trustees of Tufts University on 1 July 1980. Since its inception, the Sackler School faculty has grown rapidly. The school was quick to include the strong research faculty at Tufts Medical Center and now has members from across the schools of Tufts University. Members are also located at The Jackson Laboratory in Bar Harbor, Maine and the Maine Medical Center Research Institute in Scarborough, Maine.

Although the Sackler School graduated its first class less than 30 years ago, it has established itself as a leading institution for biomedical graduate education. The high educational standards and the excellent training and research programs that are part of the school play a key role in the life of the Health Science Campus and Tufts University as a whole.

The Sackler School is home to eight Basic Science Division PhD Programs. The Clinical Research Division is home to the MS, PhD and Certificate Programs in Clinical & Translational Science.

Dr. Kopin's laboratory at the Sackler School (the "**Kopin Laboratory**") is focused in molecular endocrinology with an emphasis on G protein-coupled receptors ("**GPCRs**"). The objective of his team is to define structure-function relationships of GPCRs including the identification of ligand binding determinants and the mechanisms of signal transduction. The Kopin Laboratory has used this expertise to develop molecular tools to expedite GPCR drug discovery. Research programs at the Kopin Laboratory combine in vitro approaches with in vivo models (e.g. animals such as genetically modified "knockout" mice and fruit flies) to define the physiologic functions mediated by GPCRs. The cholecystokinin/gastrin, dopamine, serotonin, GABA-B, and opioid receptor families are currently under study at the Kopin Laboratory.

The Kopin Laboratory has studied the molecular pharmacology of GPCRs for two decades. Special interests include: structure-function relationships, GPCR mediated physiology, polymorphism/ mutation induced alterations in function, and the development of tools for drug discovery. Ongoing studies in the Kopin Laboratory have clinical relevance in the areas of metabolic disease (e.g. obesity and diabetes), neurologic/locomotor dysfunction (e.g. Parkinson's disease) and nociception (e.g. acute pain).

Current investigations of the Kopin Laboratory are aimed at:

- understanding the molecular basis for peptide hormone-GPCR interaction and function;
- exploring how genetic variation in selected receptors influences the onset and/or progression of disease;
- studying the pharmacological properties and potential medical applications of membrane-tethered ligands, an innovative technology developed in the laboratory to modulate GPCR function;
- generating recombinant protein activators of orphan GPCRs; and
- identifying novel compounds which mediate GPCR activity.

To accomplish these objectives, the Kopin Laboratory utilises molecular biologic tools, cell-based assays, as well as animal models.

Dr. Harwood is a postdoctoral scholar attached to the Kopin Laboratory. His research focuses on how neuronal cell populations communicate via chemical signals and GPCRs. He is currently dissecting the neuronal interactions linked to Bursicon (a neuropeptide)-mediated effects on pigmentation and wing expansion in a species of fly, *Drosophila melanogaster*. Bursicon is known to activate the GPCR rickets, a member of the leucine-rich repeat containing family. He is using a novel technique to activate GPCRs called membrane tethered ligands that was developed in the Kopin Laboratory and currently mapping the neuronal networks of Bursicon/Rickets. His research will also hopefully lay the framework to adapt this technique to model signaling networks for other neuronal receptor/ligand interactions *in vivo*.

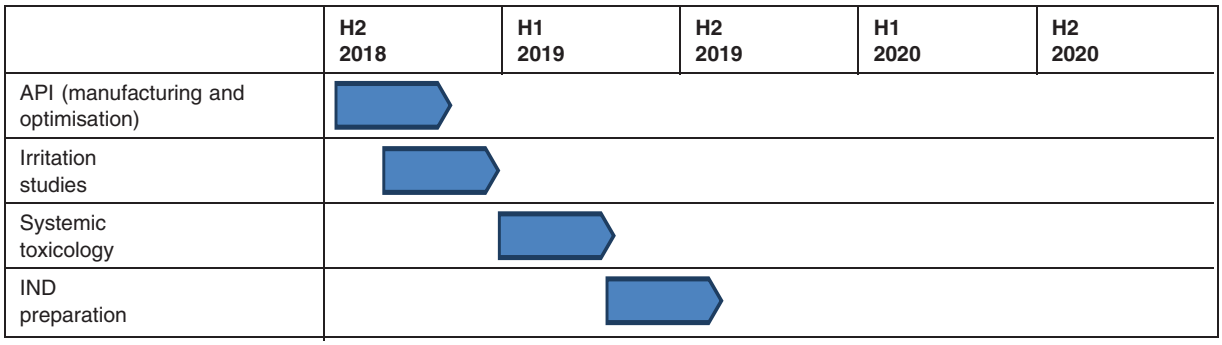
The science underlying both the Chemerin Project and BAM-8 Project has been developed at the Kopin Laboratory and the Company, having licensed both programs from Tufts Medical Center, Inc., the commercialisation arm of Tufts University, will continue initial development of both of the product candidates in collaboration with the Kopin Laboratory and the Company has entered into a collaboration agreement with On Target Therapeutics LLC ("**On Target Therapeutics**") to secure the services of the Scientific Consultants for the initial development stages of the Chemerin Project. Further details of the collaboration agreement are set out in paragraph 10.9 of Part XIV – *Additional Information* of this document. Further information on the academic qualifications of the Scientific Consultants are set out in paragraph 9.

Current and future clinical trials

(a) *Chemerin*

The Company, in conjunction with the Kopin Laboratory, has formulated a development plan for the Chemerin Project. In the pre-clinical studies, conducted at the Kopin Laboratory, Chemerin compounds have already shown efficacy in mouse models of DED. In addition similar compounds with appropriate formulation have shown efficacy in animal models of asthma, neuropathic pain and simulated DED, these studies, constituting the "discovery phase" are described in greater detail in *Part VIII – Further Information on the Chemerin Project* of this document.

Work program for the Chemerin Project



The Company has decided to continue pre-clinical studies on the Chemerin Project in collaboration with the Kopin Laboratory and has entered into a collaboration agreement with On Target Therapeutics. The Scientific Consultants will conduct a series of further non-clinical studies on large scale synthesis and on stability of peptides at different temperatures and relative humidities to identify a lead drug candidate for clinical studies. These short-term studies are designed to minimise the research time needed prior to the filing of an IND.

The initial research development plan for Chemerin is split into the following two phases, which are expected to be completed within a six-month period for a budget of $400,000 (£300,000):

Phase I

1. *Selection of optimised ligand.*

   This process will envolve the pharmacological assessment of novel lipidated stable Chemerin analogs. The efficacy and potency of the ligands will be compared with the prototype compound. *In vitro* assays will be done in HEK293 cells transiently expressing recombinant CMKLR1. Pharmacologic characterisation of the six novel lipidated stable Chemerin analogs will be conducted by assessing receptor mediated Gαi signaling. HEK293 cells will be transiently transfected with cDNAs encoding CMKLR1 (a serum response element luciferase reporter gene and Gq5i). Efficacy and potency of the stable Chemerin analogs will be determined using methods that are well established at On Target Therapeutics. Compounds will be rank ordered based on pharmacologic properties.

2. *Stability testing of the most promising compounds: overnight incubation at room temp and at 37 degrees Celsius followed by in vitro assessment.*

   The candidate Chermerin peptides will be resuspended in sterile phosphate buffered saline at the concentration used for DED studies (currently anticipated to be 210*M). The peptides will be incubated in low retention Eppendorf tubes at both room temperature and at 37 degrees Celsius for 24 hours. The peptide will then be serially diluted along with freshly prepared peptide. Potency and efficacy will then be assessed using the in vitro assay described above. Any issues with solubility or peptide aggregation that alter pharmacological activity can be identified using this method.

3. *Mini-scale up synthesis of compounds for mouse study.*

   A ''scale-up'' synthesis of lead compounds will be conducted to prepare adequate quantities for mouse DED studies.

Phase II

4. *Scale up of the most promising compounds*

   Synthesis of the candidate compounds nominated following DED studies with be scaled to 1-gram. Solid phase flurorenylmethyloxycarbonyl chloride synthesis will be used to produce 1-gram of peptide as an acetate salt. The peptide will be purified to a minimum of 95% purity which will be confirmed by reverse phase–high performance liquid chromatography (''**RP-HPLC**''). Peptide identity will be further confirmed by liquid chromatography–mass spectometry. In addition, impurities will also be measured by RP-HPLC.

5. *Assessment of the two most promising lipidated stable Chemerin analogs (without the PEG linker) in the scopolamine DED model.*

   The two analogs (without PEG) will be compared with the prototype compound (containing a PEG linker) and with vehicle. Efficacy in a murine scopolamine DED model will be measured using the following measurements: i) tear break up time using fluorescein sodium, ii) tear production using phenol red, iii) corneal epitheliopathy using fluorescein sodium under slit lamp.

6. *Rabbit ocular tolerability/ irritant study.*

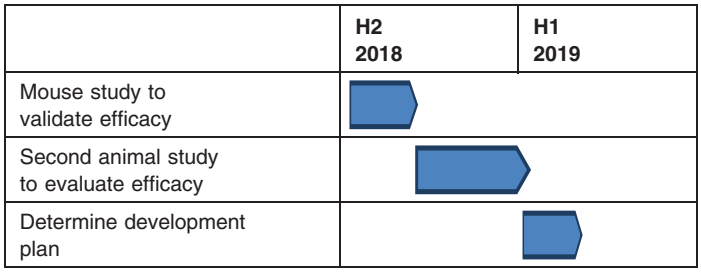
   New Zealand white rabbits will be used. Advantages of these animals include large eyes, well described anatomy and physiology, easy to handle, and readily available. The test substance (0.1 ml), the most efficacious of the lipidated chemerin constructs, will be applied onto the cornea and conjunctival sac of one eye of a conscious rabbit for 72 hours. The other eye will serve as an untreated control. Six rabbits will be used per test, comparison will be made with vehicle alone. Rabbits will be examined daily for at least seven days for signs of ocular inflammation (redness, swelling, cloudiness, edema, haemorrhage, discharge and blindness). Assessment will be done using the penlight/slit lamp assessment technique. Subjective scoring from non-irritating to severely irritating will be performed.

The Company will then move, assuming satisfactory toxicology testing, to prepare and file an IND with the FDA. Subsequent developments to reach a commercial product will depend upon FDA requirements with respect to the proposals set out in the IND.

(b) *Non-opioid analgesic BAM-8*

As part of the BAM-8 Acquisition Agreement the Company has committed to fund animal studies with two lead compounds of BAM-8 in two animal models at the Kopin Laboratory to determine the efficacy as an attenuator of neuropathic pain. The study is expected to take six months and the Company has budgeted US$200,000 (£148,000) for this activity.

Work program for BAM-8



Upon receipt of the results of these studies the Board will assess and determine a future development plan for BAM-8.

Intellectual property

(a) *Chemerin*

The Company entered into an assignment of the license and sublicense agreement with Panetta on 1 May 2018 relating to intellectual property licenced from On Target Therapeutics and sub-licenced from Tufts Medical Center Inc., dated 22 May 2017. Under the terms of the agreement, the Company has exclusive rights to certain patent applications that describe and claim lipidated Chemerin peptides and their uses in DED. Specifically, the Company has the benefit of the exclusive worldwide rights to a US patent application (which if issued would expire in 2034). In addition the Company has exclusive worldwide rights to a PCT patent which has a National Phase entry date of July 2018, and if issued in the various countries that it is contemplated to be filed (e.g., US, European Patent Office, Japan, Australia and Canada), it would expire in 2037.

The Directors believe that the Company has novel composition of matter on the Chemerin peptide and novel methods of its use in treating DED. Each patent office has different patentability requirements but the Directors believe that the license patent applications 14/783,489 (US patent application entitled ‘‘Methods and systems for designing and/or characterising soluble lipidated ligand agents’’; applicant: Tufts Medical Centre / Trustees of Tufts College) and PCT/US2017/

014605 (US patent application entitled "Compounds and methods for treating inflammation"; applicant Tufts Medical Centre / Trustees of Tufts College) contain patentable subject matter. The process for issuance of a patent involves a correspondence with each local patent office in the jurisdictions in which the patent application is filed. That process, patent prosecution, involves a discussion of any relevant prior art and typically a discussion of the scope of the claims. The patent prosecution process can take several years depending on the jurisdiction and is not in the control of the patent owner, but in the control of the local patent office.

The licence is subject to certain development milestone payments being:

1. US$300,000 on first patient enrolled in a Phase I clinical trial;
2. US$600,000 on first patient enrolled on a Phase II clinical trial;
3. US$1,500,000 on first patient enrolled in a Phase III clinical trial; and
4. US$2,500,000 on first commercial sale of a licensed product.

The licence is also subject to the payment of sales milestones as follows:

1. US$2m on first achievement of annual net sales of US$50,000,000;
2. US$4m on first achievement of annual net sales of US$100,000,000;
3. US$6m on first achievement of annual net sales of US$250,000,000;
4. US$10m on first achievement of annual net sales of US$500,000,000; and
5. US$15m on first achievement of annual net sales of US$1,000,000,000.

The above payments equate to low and declining single digit percentage royalties on net sales.

(b) *BAM-8*

The Company entered into a licence agreement with Tufts Medical Center, Inc. on 1 May 2018 relating to intellectual property and proprietary technology for the use of certain lipidated Bovine Adrenal Medulla ("**BAM**") peptides in the treatment of neuropathic pain. Under the terms of the licence agreement, the Company has acquired an exclusive licence to all patents (pending and issued), inventions (including future patent filings on lipidated BAM molecules, know-how and proprietary information controlled by Tufts Medical Center, Inc.). The licence agreement requires an upfront licence fee of US$15,000 (£11,000), which has been paid by the Company and annual maintenance fees of $15,000 (£11,000) commencing on the first anniversary of the licence agreement. The licence agreement also provides for further development and sales milestone payments and royalties, which are described in more detail in paragraph 10.4 of *Part XIV – Additional Information* of this document.

7. Financing the business strategy

The Directors have carefully reviewed the Company's working capital requirements with respect to cash resources on hand and committed and anticipated expenditure with respect to the Chemerin Acquisition and the BAM-8 Acquisition.

The Company is not seeking to raise further finance at the current time as the Directors are of the opinion that the Company has sufficient working capital to fund its developmental programs and its operating expenditure for at least the next 12 months following the date of this document during which time the Company will conduct a program of pre-clinical research with respect to Chemerin and BAM-8. The outcomes of the current development plans will determine whether the current product candidates demonstrate viability to be taken into Phase I or II clinical trials. The Company would not currently have sufficient working capital to fund progression into Phase I or Phase II clinical trials, but in common with the majority of early stage biotechnology companies were a product candidate to demonstrate the level of efficacy to proceed to IND submission, the valuation metrics of the product candidate would be significantly different to that of a developmental stage candidate, and the Company would examine all options for financing further development into the clinic which may include raising further equity finance, grant funding or commercial collaboration with other parties. It is the expectation of the Board that such a decision would be taken not less than 18 months after the date of this document but prior to the date falling two years after the date of this document. Within these timing parameters it is difficult to be certain or precise as timings will depend on the outcome of the early stages of the development plans and the results attained, which may advance the programs or may indicate the need for further *in vitro* activity to inform progression.

8. Information on the Directors and Senior Management

The Directors

The Directors are responsible for the overall management and control of the Company and there are no other persons who manage the investments of the Company. The Directors will review the operations of the Company at regular meetings and it is currently intended that, the Board will meet at least four times a year.

The Directors have provided the Company with the necessary combination, at this stage of its development, of both specialist market sector and corporate and acquisition experience that will be key to the successful execution of the Company's strategy. The Board will comprise Willy Simon as Executive Chairman, and Dr. Kunwar Shailubhai and Leopoldo Zambeletti as Non-Executive Directors. The Board will be reviewed to ensure that it remains appropriate for the Company such that the constitution of the Board at that time will reflect the profile of the Company and prevailing corporate governance standards.

Willy Simon, Executive Chairman (age 66)

Willy Jules Simon is a banker and worked at Kredietbank N.V. and Citibank London before serving as an executive member of the Board of Generale Bank NL from 1997 to 1999 and as the chief executive of Fortis Investment Management from 1999 to 2002. He acted as chairman of Bank Oyens & van Eeghen from 2002 to 2004. From 2004 until 2012, Mr. Simon served as a non-executive director of Redi & Partners Ltd., a fund of funds. He was previously chairman of AIM-traded Velox3 plc (formerly 24/7 Gaming Group Holdings plc) until 2015 and had been a director of Playlogic Entertainment Inc., a NASDAQ OTC listed company. He is also a non-executive director of Tiziana Life Sciences plc.

Dr. Kunwar Shailubhai M.B.A., Non-Executive Director (age 60)

Kunwar Shailubhai, Ph.D., M.B.A. serves as chief executive officer, chief scientific officer and executive director of Tiziana Life Sciences plc. Dr. Shailubhai brings more than 25 years of experience within the life science industry, combined with a distinguished track record of success in translating drugs from concept through commercialisation to market. He also currently serves as chief executive officer of Rasna Therapeutics, Inc., a developer of therapeutics to address the high unmet need that exists for acute myeloid leukaemia and other forms of leukaemia.

Dr. Shailubhai has been serving as a member of board of Tiziana Life Sciences plc since 2015. He actively played key roles in development of growth strategies through several key licensings of technologies and drug candidates. Dr. Shailubhai steered the company through prioritisation of projects to focus on novel drug candidates for treatment of autoimmune and inflammatory diseases and cancer.

As co-founder, executive vice-president and chief scientific officer of Synergy Pharmaceuticals, Inc. he led the non-clinical, CMC and clinical development of Trulance™ from inception to approval by the FDA, having co-invented and pioneered Synergy's platform technology for functional GI disorders, inflammatory bowel disease, GI cancer and other human diseases. Dr. Shailubhai as the chief architect of the intellectual property estate, directed all aspects of intellectual property management, including timely submission of patent applications, directing office actions and coordinating with intellectual property attorneys.

Earlier, from 2003 until 2008, Dr. Shailubhai served as senior vice president, Drug Discovery and from 2001 to 2003, he held the position of vice president, Drug Discovery at Synergy, where he pioneered therapeutic applications of GC-C agonists in a variety of human diseases such as Asthma, COPD and cholesterol lowering.

Prior to Synergy, he was with Monsanto Company, serving as group leader, Cancer Prevention and previously served as a senior staff fellow at the National Institutes of Health, and as an assistant professor at the University of Maryland.

Dr. Shailubhai received his Ph.D. in microbiology from the University of Baroda, India, and his M.B.A. from the University of Missouri, St. Louis. He has more than 20 issued patents and over 50 peer-reviewed publications.

Leopoldo Zambeletti – Non-Executive Director (age 49)

During a 19 year career as an investment banker, Mr. Zambeletti led the European Healthcare Investment team at J.P. Morgan for eight years before taking up the same position at Credit

Suisse for a further five years. Since 2013 he has been an independent strategic advisor to life science companies on merger and acquisitions, out-licensing deals and financing strategy. He is a non-executive director at Qardio, Summit Therapeutics plc, Nogra Pharma and Faron Pharmaceuticals OY. Mr. Zambeletti started his career at KPMG as an auditor.

Mr. Zambeletti received a B.A. in Business from Bocconi University in Milan, Italy. He serves as a trustee to Barts and the London Charity, which helps to fund the hospitals of the Barts NHS Trust including St Bartholomew, the Royal London and the London Chest Hospitals. He is the founder of the cultural initiative 5x5 Italy.

Senior Management

Tiziano Lazzaretti – Chief Financial Officer (age 58)

Mr. Lazzaretti acts as the Company's chief financial officer. Mr. Lazzaretti has extensive experience in the healthcare and pharmaceutical industry and is chief financial officer of Tiziana Life Sciences plc and Rasna Therapeutics, Inc., from 2011 to 2016 he was group finance director at Pharmentis Srl, a spin-off from Teva Ratiopharm. Prior to this, Mr. Lazzaretti was an executive director at Alliance Boots Healthcare, and held senior positions at Accenture, SNIA Spa and Fiat Group.

Mr. Lazzaretti has a Bachelor of Science (BSc Hons) in Accounting and Finance from the University of Turin, Italy, was awarded a M.B.A. from Bocconi University, Milan and studied Corporate Finance at the London Business School.

Management Incentive Plans

The Directors believe that the ongoing success of the Company depends to a high degree on retaining and incentivising the performance of Directors and Senior Management with awards of 27,800,000 share options outstanding on Admission under the Company's unapproved share option plan (the "**Unapproved Share Option Plan**"). Key terms of awards will be determined by the Company's remuneration committee to be established in the current financial year (the "**Remuneration Committee**") with formally delegated duties and responsibilities. The key terms of the Unapproved Share Option Plan are summarised in paragraph 9 of *Part XIV – Additional Information* of this document.

Under the Company's former share option scheme, 3,216,667 options remain outstanding at an exercise price of 7 pence per share. These options are all held by former directors of the Company and the last of these share options will expire on 13 May 2018.

A total of 23,000,000 share options have been granted under the Unapproved Share Option Plan, conditional upon Admission, to the current Directors, members of Senior Management and to certain consultants. All of these share options have exercise prices of between 4.5 pence per Ordinary Share, and options to the Directors and members of Senior Management are held by:

Dr. Kunwar Shailubhai	16,500,000
Leopoldo Zambeletti	3,500,000
Willy Simon	2,000,000
Tiziano Lazzaretti	1,000,000

The exercise price of the new share options has been set at 4.5p and the options vest over a period of 4 years in equal annual instalments. The share options have been priced at the same level as the exercise price for the Scientific Warrants, which reflects a level which is challenging and aligns key management with Shareholders to increase shareholder value in order to be rewarded.

9 Academic Collaborators

The Company is party to a collaboration agreement with On Target Therapeutics to retain the services of the Scientific Consultants in respect of the initial stages of the development of the Chemerin Project.

Dr. Alan Kopin, M.D.

Dr. Kopin is Professor of Medicine, Tufts Medical Center, Tufts University School of Medicine Chief, Scientific Officer, Luke Heller TECPR2 Foundation, Chief Scientific Officer, On Target Therapeutics and Chief Operating Officer, Auttx, LLC

Dr. Kopin received his B.A., Biological Sciences, Brown University, Providence, R.I. in 1977 and obtained his M.D. from the University of North Carolina Medical School, Chapel Hill, N.C. in 1981.

He completed fellowships at the Department of Physiology, Research Fellow, Harvard Medical School, the Gastroenterology, Clinical Fellow, New England Medical Center, Boston, MA and the Gastroenterology, Research Fellow, New England Medical Center, Boston, MA.

He was Assistant Professor of Medicine, Department of Medicine, Tufts University School of Medicine, Boston between 1989 and 1995 and Associate Professor of Medicine, Department of Medicine, Tufts University School of Medicine, Boston between 1995 and 2004.

In 1996 he was awarded the 2nd Viktor Mutt Lectureship and Medal, 11th International Symposium on Regulatory Peptides, Copenhagen, Denmark (in recognition of major contributions to the understanding of peptide hormone function).

He is also a member of the American Society of Clinical Investigation, the American Federation for Clinical Investigation; the American Society for Pharmacology and Experimental Therapeutics, the American Society for Biochemistry and Molecular Biology, the American Gastroenterology Association and the Federation of American Societies for Experimental Biology Gastroenterology Research Group.

Dr. Kopin's recent publications include:

- Doyle JR, Fortin JP, Beinborn M, Kopin AS. Selected Melanocortin 1 Receptor Single Nucleotide Polymorphisms Differentially Alter Multiple Signaling Pathways. J Pharmacol Exp Ther. 2012 Aug; 342(2):318-26. Epub 2012 Apr 30.
- Doyle JR, Lane JM, Beinborn M, Kopin AS. Naturally Occurring HCA1 Missense Mutations Result in Loss of Function: Potential Impact on Lipid Deposition. J Lipid Res. 2013 Mar;54(3):823-30; Epub 2012 Dec 24.
- Harwood BN, Fortin JP, Gao K, Chen C, Beinborn M, Kopin AS. Membrane tethered bursicon constructs as heterodimeric modulators of the Drosophila GPCR rickets. Mol Pharmacol. 2013 Apr;83(4):814-21; Epub 2013 Jan 22.
- Wu MP, Doyle JR, Barry B, Beauvais A, Rozkalne A, Piao X, Lawlor MW, Kopin AS, Walsh CA, Gussoni E. G-protein coupled receptor 56 promotes myoblast fusion through serum response factor- and nuclear factor of activated T-cell-mediated signalling but is not essential for muscle development in vivo. FEBS J. 2013 Dec;280(23):6097-113; Epub 2013 Oct 8.
- Hayden RS, Fortin JP, Harwood B, Subramanian B, Quinn KP, Georgakoudi I, Kopin AS, Kaplan DL. Cell-tethered ligands modulate bone remodeling by osteoblasts and osteoclasts. Adv Funct Mater. 2014 Jan 29;24(4):472-479.
- Doyle JR, Krishnaji ST, Zhu G, Xu ZZ, Heller D, Ji RR, Levy BD, Kumar K, Kopin AS.; Development of a membrane-anchored chemerin receptor agonist as a novel modulator of allergic airway inflammation and neuropathic pain. J Biol Chem. 2014 May 9;289(19):13385-96; Epub 2014 Mar 21.
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- Lane JM, Doyle JR, Fortin JP, Kopin AS, Ordovás JM. Development of an OP9 derived cell line as a robust model to rapidly study adipocyte differentiation. PLoS One. 2014 Nov 19;9(11):e112123. doi: 10.1371/journal.pone.0112123. eCollection 2014.
- Doyle JR, Harwood BN, Krishnaji ST, Krishnamurthy VM, Lin WE, Fortin JP, Kumar K, Kopin AS. A two-step strategy to enhance activity of low potency peptides. PLoS One. 2014 Nov 12;9(11):e110502. doi: 10.1371/journal.pone.0110502. eCollection 2014.
- Hayden RS, Fortin JP, Harwood B, Subramanian B, Quinn KP, Georgakoudi I, Kopin AS, Kaplan DL; Cell-tethered ligands modulate bone remodeling by osteoblasts and osteoclasts. Adv Funct Mater. 2014 Jan 29;24(4):472-479.
- Heller D, Doyle JR, Raman VS, Beinborn M, Kumar K, Kopin AS.Novel Probes Establish Mas- Related G Protein-Coupled Receptor X1 Variants as Receptors with Loss or Gain of Function. J Pharmacol Exp Ther. 2016 Feb;356(2):276-83. doi: 10.1124/jpet.115.227058. Epub 2015 Nov 18. PMID: 26582731

- Regna K, Kurshan PT, Harwood BN, Jenkins AM, Lai CQ, Muskavitch MA, Kopin AS, Draper I.
- A critical role for the Drosophila dopamine D1-like receptor Dop1R2 at the onset of metamorphosis. BMC Dev Biol. 2016 May 16;16(1):15. doi: 10.1186/s12861-016-0115-z. PMID: 27184815
- Julian B, Gao K, Harwood BN, Beinborn M, Kopin AS; Mutation-Induced Functional Alterations of CCR6. J Pharmacol Exp Ther. 2017 Jan;360(1):106-116. Epub 2016 Oct 27. PMID: 27789680

Dr. Benjamin Harwood

Dr. Harwood obtained his B.S. with Honors – Biology from Acadia University, Wolfville, Nova Scotia Canada in 2005 and studied for his PhD at Tufts University Sackler School of Biomedical Sciences Genetics Program, Boston MA between 2007-2014.

He is currently Senior Scientist and Co-founder of On Target Therapeutics, focusing on the development of novel proteolytically stable peptide therapeutics and oversight of day to day operations of On Target Therapeutics.

Publications include:

- Kimberly Regna, Peri T. Kurshan, Benjamin N. Harwood, Adam M. Jenkins, Chao-Qiang Lai, MarcA.T. Muskavitch, Alan S. Kopin and Isabelle Draper: A critical role for the Drosophila dopamine D1-like receptor Dop1R2 at the onset of metamorphosis BMC Developmental BiologyBMC series -201616:15.
- Bina Julian, Kevin Gao, Benjamin N. Harwood, Martin Beinborn and Alan S. Kopin Mutation-Induced Functional Alterations of CCR6: Journal of Pharmacology and Experimental Therapeutics January 2017, 360 (1) 106-116.
- Doyle JR, Harwood BN, Krishnaji ST, Krishnamurthy VM, Lin WE, Fortin JP, Kumar K and Kopin AS (2014) A two-step strategy to enhance activity of low potency peptides. PloS one 9(11):e110502.
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- Benjamin N. Harwood, Jean-Philippe Fortin, Kevin Gao, Ci Chen, Martin Beinborn, and Alan S. Kopin., Membrane tethered bursicon constructs as heterodimeric modulators of the Drosophila GPCR rickets. Mol Pharmacol. 2013 Apr;83(4):814-21.
- Hayden, R. S., Fortin, J.-P., Harwood, B., Subramanian, B., Quinn, K. P., Georgakoudi, I., Kopin, A. S. and Kaplan, D. L., Cell-Tethered Ligands Modulate Bone Remodeling by Osteoblasts and Osteoclasts. Adv. Funct. Mater, 2013. doi: 10.1002/adfm.201302210.
- Harwood, B. N., Cross, S. K., Radford, E. E., Haac, B. E. and De Vries, W. N.: Members of the WNT signaling pathways are widely expressed inmouse ovaries, oocytes, and cleavage stage embryos. Dev Dyn, 2008. 237(4): p. 109-111.

10. Corporate Governance

The Directors recognise the importance of sound corporate governance and the Company will comply with QCA Corporate Governance Code, as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Company will hold Board meetings periodically as issues arise which require the attention of the Board. The Board will be responsible for the management of the business of the Company, setting the strategic direction of the Company, establishing the policies of the Company and appraising the making of all material investments. It will be the Board's responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board will be to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Company's approach to risk management. The Company will during the current financial year, in addition to the Remuneration Committee, establish an audit committee (the "**Audit Committee**") and a nomination committee (the "**Nomination Committee**") with formally delegated duties and responsibilities.

The Remuneration Committee, which will comprise Leopoldo Zambeletti as chairman, and Willy Simon, will meet not less than twice each year. The Remuneration Committee will be responsible for the review and recommendation of the scale and structure of remuneration for Directors and Senior Management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and other stakeholders.

The Audit Committee, which will comprise Willy Simon as chairman, and Leopoldo Zambeletti, and will meet not less than twice a year. The Audit Committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The Risk and Disclosure Committee will operate as part of the Audit Committee and will review the operational risks that face the business and monitor and report upon the Company's obligations under the Disclosure Guidance and Transparency Rules regarding continuous disclosure.

The Nomination Committee, which will comprise Leopoldo Zambeletti as chairman, and Willy Simon, and will meet normally not less than twice each year. The Nomination Committee is responsible for reviewing succession plans for the Directors, including the Executive Chairman, and Senior Management.

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

11. Financial Information

Historical financial information on the Company can be found in *Part XVII – Historical Financial Information* of this document.

12. Taxation

Information regarding certain taxation with respect to Ordinary Shares and Admission is set out in *Part XIII – Taxation* of this document. These details are, however, intended as a general guide to the current position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser. Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

13. The Takeover Code

The Takeover Code is issued and administered by the Takeover Panel. As a BVI company the Company was not historically subject to the Takeover Code and equivalent shareholder protections were not contained in the Company's constitution. On migration to Guernsey and Admission becoming effective the Company will become subject to the Takeover Code and therefore Shareholders will be entitled to the protections afforded by the Takeover Code with effect from Admission.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares, whether by a series of transactions over a period of time or not, which, taken together with any interest in shares held or acquired by persons acting in concert (as defined in the Takeover Code) with him, in aggregate carry 30% or more of the voting rights of a company, that person is normally required by the Takeover Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30% of the voting rights of such a company but does not hold shares carrying more than 50% of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which they are interested.

An offer under Rule 9 of the Takeover Code must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company acquired during the 12 months prior to the announcement of the offer.

The Takeover Code also provides that, if a person (or group of persons acting in concert) holds interests in shares carrying more than 50% of the company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding of voting rights without incurring any further obligations under Rule 9 of the Takeover Code to make a mandatory offer, although individual members of the Concert Party will not be able to increase their percentage shareholding through or between a Rule 9 of the Takeover Code threshold without Takeover Panel consent.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company.

If the Takeover Code had applied to the Company at the date of the completion of the Chemerin Acquisition, Panetta, Inukshuk Holdings LLC (''**Inukshuk**''), Tiziano Lazzaretti, Dr. Kunwar Shailubhai, Dr. Alan Kopin and Dr. Ben Harwood, would have been deemed to be acting in concert for the purposes of the Takeover Code and the Company would have needed to apply to the Takeover Panel for a waiver of Rule 9 of the Takeover Code in order that the issue of shares in connection with the Chemerin Acquisition would not trigger an obligation on the part of Concert Party to make a general offer to Independent Shareholders and likewise in respect of the exercise of any of the options or warrants issued in connection with the Chemerin Acquisition. The current associations between Gabriele Cerrone, who has a life interest in the settlement which owns Panetta, with Dr. Kunwar Shailubhai and Tiziano Lazzaretti and the associations between the owners of On Target Therapeutics namely Dr. Alan Kopin and Dr. Ben Harwood are of a nature such that the Takeover Panel would, if the Takeover Code had applied, deemed them to be persons acting in concert for the purposes of the Takeover Code. In addition because the Chemerin Acquisition involved an acquisition where shares and warrants are issued as consideration, the collective ''vendors'' in that transaction would also have been deemed to be acting in concert for the purposes of the Takeover Code, this has the consequence that Panetta and Inukshuk are considered to be acting in concert.

Whilst the issue of the Consideration Shares to Panetta and the Scientific Warrants to the Vendors and the grant of the Concert Party Options happened at a time when the Company was not subject to the Takeover Code, any subsequent exercise of the Scientific Warrants and indeed the Concert Party Options would potentially trigger the requirement to make a general offer (absent interim dilution of the Concert Party to below 29.9%). In these circumstances the Takeover Panel has discretion to agree, subject to a Rule 9 Waiver being passed on a poll of Independent Shareholders at a general meeting, to waive the requirement which might otherwise arise as a result of an acquisition for the members of the Concert Party to make a general offer to Independent Shareholders. Given that the Company was not subject to the Takeover Code when the relevant transactions were concluded, the Takeover Code did not apply to the issue of the 135,000,000 Ordinary Shares provided by the Company to Panetta in connection with the Chemerin Acquisition (the ''**Consideration Shares**'') but Rule 9 of the Takeover Code would apply to any subsequent exercise of the Scientific Warrants or the share options held by Dr. Shailubhai, Mr. Lazzaretti following Admission.

The Concert Party's interests in the Ordinary Shares and its proposed interests in the Company's enlarged share capital (assuming the exercise of the Scientific Warrants and the share options) are set out in the table below (the "**Enlarged Share Capital**").

	As at the date of this document			Maximum potential controlling interest at Admission[2]	
Concert Party	**No. of Ordinary Shares**	**Percentage**	**No. of share options/ warrants over Ordinary Shares**	**No. of Ordinary Shares**	**Percentage of the Enlarged Share Capital**
Panetta Partners Limited[1]	251,087,103	47.97%	—	251,087,103	43.89%
Dr. Kunwar Shailubhai	—	—	16,500,000	16,500,000	2.18%
Tiziano Lazzaretti	—	—	1,000,000	1,000,000	0.17%
Inukshuk Holding LLC	—	—	35,000,000	35,000,000	6.12%
Total	116,087,103	47.97%		299,587,103	52.37%

(1) Panetta is a company which is indirectly wholly-owned by the trustee of a settlement under which Gabriele Cerrone has a life interest.

(2) Assumes that all the Scientific Warrants and the options held by Dr. Shailubhai and Mr. Lazzaretti are exercised in full, but no other options are exercised.

Maximum potential controlling position

Immediately following Admission, Panetta will hold 251,087,103 Ordinary Shares, representing 47.95% of the Company's enlarged issued share capital and the other members of the Concert Party would hold rights under warrants and options to acquire a further 48,500,000 shares. Following Admission, without a waiver under Rule 9 of the Takeover Code, the Concert Party would be obliged to make a general offer to Independent Shareholders under Rule 9 of the Takeover Code in respect of the exercise of any of the Scientific Warrants on the Concert Party Options.

The Takeover Panel has agreed that the Company may, at a future date, apply to the Takeover Panel to waive the requirement which might otherwise arise as a result of the exercise of rights under the Scientific Warrants or the Concert Party Options for the members of the Concert Party to make a general offer to Independent Shareholders. Any agreement to a waiver by the Panel would be subject to a resolution being passed on a poll by Independent Shareholders at a general meeting.

14. Fully diluted share capital

The following table sets out the fully diluted share capital as at the date of this document and as at Admission:

	As at the date of this document and at Admission	**As a percentage of the Company's issued share capital at Admission**
Issued share capital	523,595,417	100%
Scientific Warrants	35,000,000	6.68%
Existing share options	3,216,667	0.61%
New share options	23,000,000	4.39%

At Admission assuming no warrants or share options are exercised, the issued share capital of the Company will be 523,595,417 Ordinary Shares with a total of 26,216,667 share options and 35,000,000 warrants outstanding. If all the share options and warrants were to be exercised the Company would receive approximately £2.87m in cash and the share options and warrants would represent 10.64% of the fully diluted issued share capital.

On Admission, Panetta will be interested in 251,087,103 Ordinary Shares, representing approximately 47.95% of the Enlarged Share Capital.

The Independent Directors are satisfied that the Company is capable of carrying on its business independently of Panetta and that all transactions and relationships between them and the Company are and will continue to be at arm's length and on normal commercial terms.

To seek to ensure that Shareholders are adequately and additionally protected in this regard and generally in relation to the size of Panetta aggregate shareholding in the Company following Admission, the Company has entered into the Relationship Agreement with Panetta.

Pursuant to the Relationship Agreement, Panetta has given certain undertakings to the Company to ensure that the Board and the Company can operate on an independent basis.

Further information on the Relationship Agreement can be found at paragraph 10.2 of *Part XIV – Additional Information* of this document.

15. Dividend policy

The Company does not intend to declare a dividend for the foreseeable future.

16. UK Bribery Act 2010

The government of the UK has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 which came into force with effect from 1 July 2011. The Company has conducted a risk review into its operational procedures to consider the impact of the UK Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, employees and consultants comply with the terms of the legislation.

17. Re-registration in Guernsey

On 3 July 2018, the Company was re-registered in Guernsey. Upon registration in Guernsey, the Company was legally discontinued and therefore removed from the Register of Companies in the BVI.

As a matter of the laws of the BVI, where a company is continued under the laws of a jurisdiction outside the BVI to Guernsey:

(a) the Company continues to be liable for all of its claims, debts, liabilities and obligations that existed prior to its Continuation as a company under the laws of Guernsey;

(b) no conviction, judgement, ruling, order, claim, debt, liability or obligation due or to become due, and no cause existing, against the Company or against any member, director, officer or agent thereof, is released or impaired by its continuation as a company under the laws of Guernsey;

(c) no proceedings, whether civil or criminal, pending by or against the company, or against any member, director, officer or agent thereof, are abated or discontinued by its continuation as a company under the laws of the jurisdiction outside the BVI, but the proceedings may be enforced, prosecuted, settled or compromised by or against the company or against the member, director, officer or agent thereof, as the case may be; and

(d) service of process may continue to be effected on the registered agent of the Company in the BVI in respect of any claim, debt, liability or obligation of the company during its existence as a company incorporated under the BVI Business Companies Act.

As a matter of Guernsey law, upon a company ceasing to be registered as a company in the British Virgin Islands and becoming registered as a company in the Register of Companies in Guernsey.

(a) all property and rights to which the Company was entitled immediately before that registration remain its property and rights;

(b) the Company remains subject to all criminal and civil liabilities, and all contracts, debts and other obligations, to which it was subject immediately before that registration;

(c) all actions and other legal proceedings which immediately before that registration could have been instituted or continued by or against the Company may be instituted or continued by or against it after that registration; and

(d) a conviction, ruling, order or judgment in favour of or against the Company before that registration may be enforced by or against it after that registration.

18. Changes to Depositary Interests

Shares of non-UK companies cannot be held and transferred directly into the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use shares certificates or written instruments of transfer. Depositary interests facilitate the trading and settlement of shares in non-UK companies into CREST. Accordingly, the Company entered into a deed poll on 14 December 2007 (the "**Deed Poll**") in favour of the holders of its depositary interests ("**Depositary Interests**") from time to time. Since that date Shareholders have been able to hold either Ordinary Shares or in CREST as Depositary Interests. However, the shares of a Guernsey company can be held and transferred directly into the CREST system and there will therefore on completion of the Migration, be no ongoing reason to maintain the Depositary Interests and accordingly, the Directors have sought and obtained the resignations of the Depositary conditional on Admission.

Prior to Migration taking place the Depositary issued a notice to all the holders of Depositary Interests regarding the termination of the Deposit Agreement and all holders of Depositary Interests were individually added to the Company's share register and have been sent share certificates for the number of Ordinary Shares represented by their Depositary Interests.

19. Risk factors

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in *Part II – Risk Factors* of this document.

20. Further information

You should read the whole of this document and not just rely on the information contained in this *Part VII – Background to the Acquisitions and Admission* of this document. Your attention is drawn to the information set out in the rest of this document.

PART VIII – FURTHER INFORMATION ON THE CHEMERIN PROJECT

Introduction

The G protein-coupled receptor gene family comprises 1% of the human genome. Amongst its members, peptide hormone receptors modulate a wide range of physiological processes including inflammation, analgesia, appetite, fat deposition, and bone homeostasis. The Company's research is focused on the establisment of a new paradigm to modulate peptide hormone receptor mediated function. Corresponding peptide ligands are (i) generated initially as recombinant agonist constructs (membrane tethered ligands), (ii) rapidly modified using genetic engineering to achieve desirable features (e.g. high affinity, protease resistance, minimal size) and (iii) converted to soluble membrane anchored ligands with addition of a lipid anchor. Such ligands may be directly delivered to desired sites of action (e.g. ocular mucosal surface, spinal root, joint space) where they will anchor and modulate physiological function (e.g. block pain transmission, abrogate inflammation) over an extended period without off-target effects.

(i) *Chemerin – A therapeutic for DED*

Despite increased understanding of DED as an inflammatory disease, the need for efficacious, targeted therapeutics remains. In the United States it is estimated that this disorder occurs in approximately 17% of women and approximately 11.4% of men. DED prevalence is growing especially in the ageing population; it is estimated that by year 2050, 500 million people will be affected by DED. Multiple experimental paradigms have demonstrated the role of GPCRs in the onset, continuation, and resolution of inflammatory disease.

The chemokine-like receptor 1 ("**CMKLR1**"), is a GPCR, which is expressed in macrophages, monocytes, plasmacytoid/myeloid dendritic cells and natural killer cells. Activation of CMKLR1 by its endogenous peptide ligand Chemerin is known to modulate inflammation, but natural ligands for CMKLR1 have short half-lives due to rapid inactivation. Discovery of a stable, high potency CMKLR1 agonist (stable lipidated chemerin) by On Target Therapeutics provided an important step toward the development of a new class of anti-inflammatory therapeutics. The Company's research is focused on developing the chemerin molecule as a promising as a therapeutic for DED. They have shown that lipidated Chemerin decreased corneal fluorescent staining and ocular pain/irritation 10 days after desiccation as compared to vehicle treated mice. In addition, they have shown that topical application of our prototype compound decreased inflammatory cell infiltration into the cornea in an acute mouse model of corneal inflammation (thermal cautery of cornea). A second generation of lipidated stable Chemerin analogs are currently being tested for improved efficacy in animal models of DED.

(ii) *BAM-8 – A non-opioid analgesic*

There is an urgent need for novel strategies to treat neuropathic pain, a disease which affects millions of people worldwide and occurs in as much as 7% of the population. Given the opioid epidemic, non-opioid alternatives are particularly attractive as therapeutics. The management of patients with neuropathic pain is complex, with many patients not responding to treatment or only experiencing partial relief. There is a substantial subpopulation with moderate to severe chronic refractory pain where there is an urgent need for more effective, long acting therapeutics.

Recently the Mrgpr ("**Mrg/SNSR**") family of GPCRs has received attention due to their role in modulating nociception. This class of receptors is expressed in the dorsal root ganglia and can be activated by BAM-8. Intrathecal administration of this peptide attenuates neuropathic pain in mice and rats by activating the human MrgprX1 ortholog (mouse: MrgprC11, rat: MrgprC) (13-15). The therapeutic effects, however, are short lived, necessitating the development of longer acting, and more stable analogs targeting these receptor subtypes. The Company's research collaterals have modified endogenous BAM-8 to generate a higher potency proteolytically stable analog that anchors in the cell membrane and provides local activity. This molecule is very promising as a novel non-opioid analgesic.

Clinical Research into Chemerin

In laboratory studies carried out at the Molecular Pharmacology Research Centre, and the Molecular Cardiology Research Institute, Tufts Medical Center in Boston conducted into the CMKLR1 a lipidated Chemerin analog was identified, which activates the CMKLR1 orthologs with high potency. The studies demonstrated that this stable Chemerin receptor agonist has potent in vivo efficacy in mouse models of allergic airway inflammation and neuropathic pain.

The Chemerin receptor is a chemokine-like GPCR found on certain cells including inflammatory mediators, epithelial cells as well as neurons and glial cells in the dorsal root ganglion, and spinal cord.

As an initial step, an assay for assessing signalling of Chemerin receptor induced by Chemerin peptides was established. Comparison of full-length soluble human Chemerin (s-Chem(21-157)) at both the mouse and human receptors revealed similar potencies. The high potency of human s-Chem(21-157) on the mouse receptor could not have been fully anticipated given that the sequence identity between these full-length orthologs is only 63%[4]. Notably, the mouse and human receptors are 88% homologous. Together these results support the premise that modified CMKLR1 ligands can be developed that target the human receptor and are amenable to testing using *in vivo* mouse models (*i.e.* agonists show similar potency on both receptors). This is further supported by the occurrence of six identical amino acids at the C terminus of mouse and human Chemerin, a circumstance that is critical for efficacy.

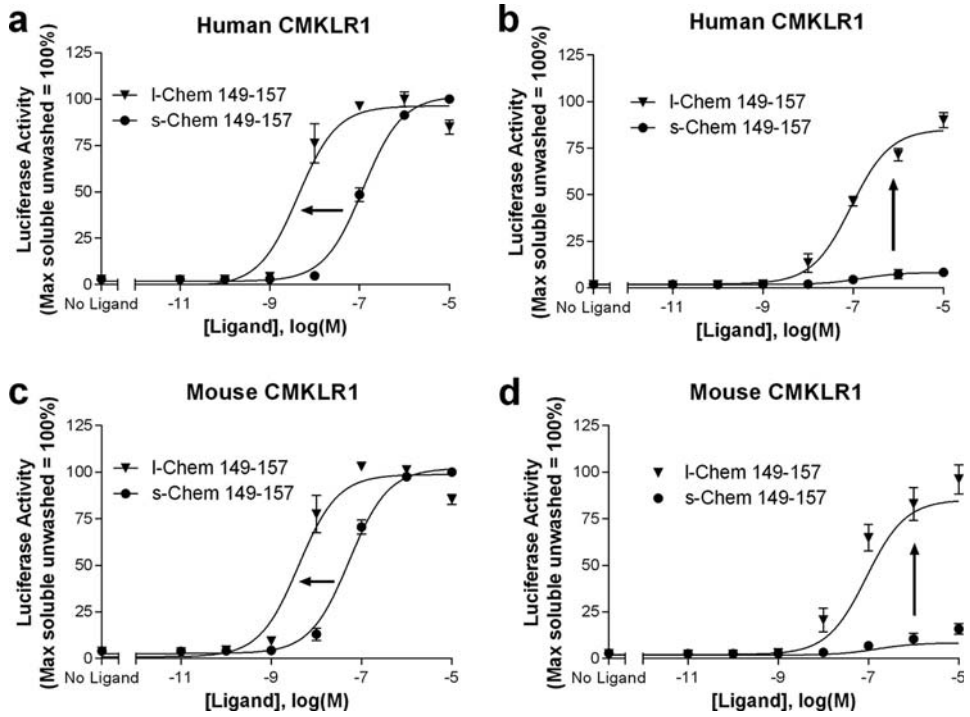


FIGURE 1. **Lipidation of Chemerin(149 -157) (l-Chem(149 -157)) enhances potency at both the human (*a) and mouse (c) receptors.*** Activity of this analog remains following serial washes *versus* activity of the soluble peptide (s-Chem(149 -157)) at both the human (*b*) and mouse (*d*) receptors. Structures of s-Chem(149 -157) and l-Chem(149 -157) are shown in Table 1. HEK293 cells were transiently transfected with cDNAs encoding: (i) human or mouse CMKLR1, (ii) a SRE_{5x}-Luc-PEST reporter gene, (iii) a $G\alpha_{q5i66V}$ chimera, and (iv) a 13-galactosidase control. Twenty-four hours after transfection, cells were stimulated with increasing concentrations of the indicated ligands for 15 min. Selected wells were then washed three times with serum-free media and plates were further incubated for 4 h. Luciferase activity, determined as described under ''Experimental Procedures,'' was normalised relative to the maximal value observed using saturating concentrations of s-Chem(149 -157) in cells that were unwashed (=100%). Data points represent the mean $\pm$ S.E. from at least three independent experiments, each performed in triplicate.

Investigation of the pharmacological properties of membrane-anchored Chemerin, commenced by the generation of recombinant membrane-tethered ligands (''**MTLs**'') incorporating selected human Chemerin fragments into the construct. Previous published reports had already highlighted the C-terminal end of Chemerin as the critical activity determinant[5]. Therefore, a type II MTL that enabled the C-terminal end to freely extend into the extracellular space and activate the receptor was selected for further study[6,7]. Comparison of the full-length (Chem(21-157)) and short Chemerin fragments as soluble ligands revealed that Chem(21-157) was the most potent peptide. In contrast, as a tethered ligand, t-Chem(149-157) was more active than the corresponding full-length peptide. The enhanced activity of the nine C-terminal amino acids of Chemerin is unique to the human receptor; activities of both tethered peptides were comparable at the mouse receptor. The importance of C-terminal processing of Chemerin from the pre-prohormone (Chem(1-163)) into the active form (Chem(21-157)) was illustrated; the tethered pre-prohormone did not activate the human or mouse receptor. This data supported the proposition that Chem(1-163), when recombinantly expressed in human embryonic kidney 293 (''**HEK293**'') cells, is not processed into

the active form (*i.e.* Chem(21-157)). This data also highlights the utility of MTLs as tools to investigate inactive *versus* active isoforms of a peptide in addition to discerning the domains (*e.g.* C terminus) that mediate activity of a peptide at its cognate GPCR.

The laboratory investigations also illustrated the utility of MTLs as tools to efficiently generate and characterise functionally altered peptide ligands. In light of the observed increase in signalling of the 9 C-terminal amino acids of Chemerin (relative to Chem(21-157)) at the human receptor, further exploration was initiated to determine whether amino acid substitutions within tethered Chem(149-157) would further enhance activity. To this end, a variety of peptide sequences were screened that were modified at amino acid positions 156 and 157. These residues were selected because of their known functional importance in Chemerin-mediated activation of CMKLR1[5]. Modification with certain amino acids resulted in partial agonists, whereas substitution with other amino acids abolished ligand induced signalling. Assessment of the variant Chem(149-157) MTLs on the human *versus* the mouse receptors reveals similar functional profiles with the exception of the GP analog. This MTL illustrated the potential of even minor alterations in a ligand to result in marked activity differences even when compared at conserved GPCR orthologs.

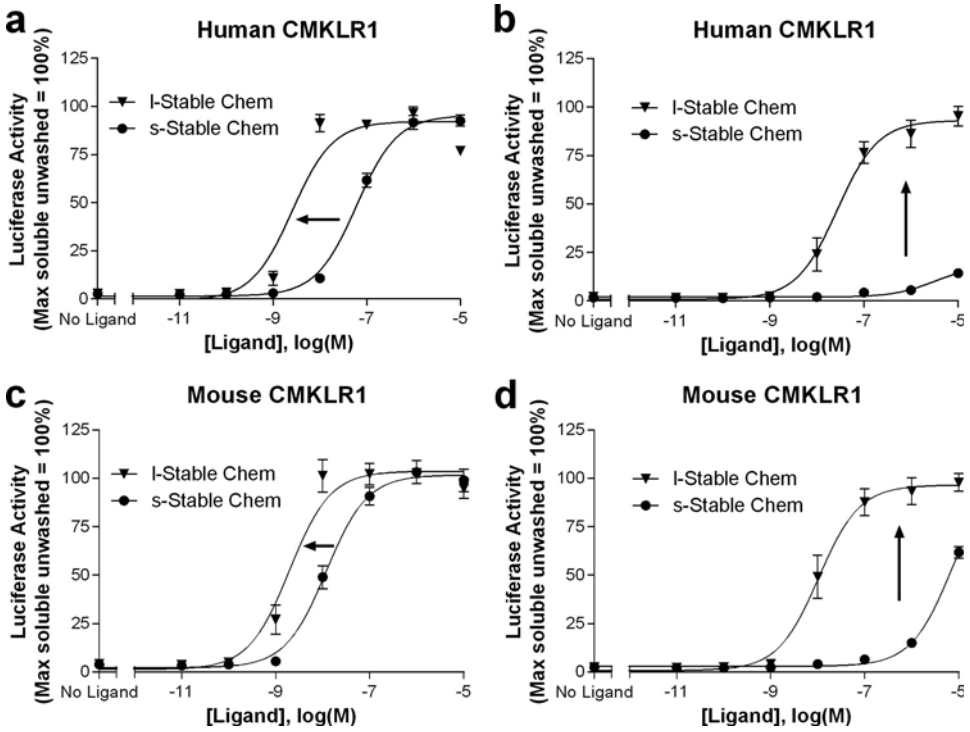


FIGURE 2. **A lipidated, stable Chemerin analog (s-Stable Chem) has higher potency than the corresponding soluble peptide.** Activities were compared at both the human (*a*) and mouse (*c*) receptors. Signaling of this analog persists despite serial washes, whereas activity of the soluble counterpart (s-Stable Chem) is markedly diminished at both the human (*b*) and mouse (*d*) receptors. Structures of s-Stable Chem and l-Stable Chem are shown in Table 1. HEK293 cells were transiently transfected with cDNAs encoding: (i) human or mouse CMKLR1, (ii) a SRE_{5x}-Luc-PEST reporter gene, (iii) a $G\alpha_{q5i66V}$ chimera, and (iv) a 13-galactosidase control. Twenty-four hours after transfection, cells were stimulated with increasing concentrations of the indicated ligands for 15 min. Selected wells were then washed three times with serum-free media and plates were further incubated for 4 h. Luciferase activity, determined as described under ''Experimental Procedures,'' was normalised relative to the maximal value observed using saturating concentrations of s-Stable Chem in cells that were unwashed (=100%). Data points represent the mean $\pm$ S.E. from at least three independent experiments, each performed in triplicate.

In addition to examining effects of recombinant membrane tethering, peptides with a synthetic lipid membrane anchor were operated and pharmacologically characterised. Given the difficulties inherent in delivering recombinant constructs as therapeutics, it was important to explore alternative forms of membrane tethering that would enable delivery of an anchored therapeutic. In light of the enhanced activity of tethered Chem(149-157) at the human receptor (relative to Chem(21-157)), this peptide fragment was selected for further study as a lipidated construct. Synthetic chemistry was utilised to generate a 9-amino acid lipidated peptide (human Chem(149-157)) linked to palmitic acid via a PEG8 linker (*i.e.* l-Chem(149-157)). The corresponding membrane-anchored ligand showed enhanced potency and wash resistance in comparison to its soluble counterpart. As was illustrated in experiments involving Chem(149-57), lipidation offers a potential means to enhance potency and/or prolong activity of the ligand via anchoring of the compound into the membrane.

Lipidation has been used as a tool to counteract some of the limitations associated with peptide therapeutics (*e.g.* rapid degradation and clearance) and has been successful in optimising drug leads into therapeutically viable candidates[8].

In addition to lipidation, modification of the peptide sequence to confer protease resistance offers a complementary approach to augmenting agonist function *in vivo*. Many approaches have been taken to decrease the proteolysis of peptides, including, *N*-methylation, ester linkages (α-hydroxy acids), insertion of additional methylene groups into the backbone (ß-amino acids, γ-amino acids, etc.), and the use of D-amino acids[9]. In particular, enhanced peptide stability by addition of D-amino acids has been demonstrated for a number of peptides that are important mediators of immune-based disorders[10] and neuropathic pain[11]. Strategy in the laboratory was to combine lipidation with alteration of targeted amino acids to confer protease resistance. This strategy offers a platform for generating compounds that are long acting and stable *in vivo*. This paradigm was illustrated by incorporating a protease-resistant peptide sequence in place of Chem(149-157) within the lipidated ligand. This lipidated stable Chemerin analog ("**I-Stable Chem**") showed high potency at both the human and mouse CMKLR1 and anchored in the membrane as reflected by wash resistance. Given the *in vitro* efficacy of this compound at mouse CMKLR1, *in vivo* testing of this analog was pursued.

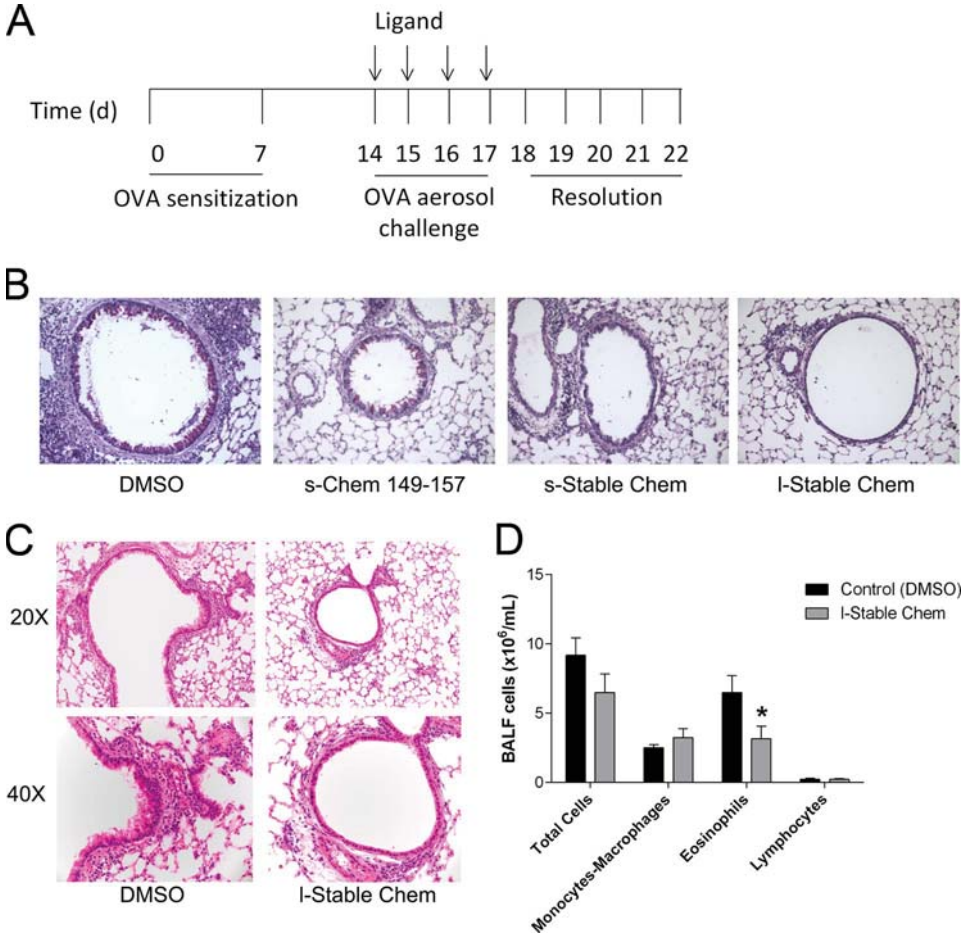


FIGURE 3. **I-Stable Chem dampens the development of allergic airway inflammation.** A, protocol for allergic airway inflammation: mice are sensitised with intraperitoneal OVA on days 0 and 7. Ligand is administered 30 min prior to challenge with aerosolised OVA on days 14-17. *B*, lung tissue sections from mice treated with DMSO, s-Chem(149 -157), s-Stable Chem, or I-Stable Chem and sacrificed at day 18 were stained with periodic acid-Schiff reagent. Representative photographs are taken at X20 magnification. *C*, lung tissue sections at day 18 were obtained from fixed, paraffin-embedded lung tissue stained with hematoxylin and eosin. Representative photographs are taken at both X20 and 40. *D*, total BALF cells and leukocyte subsets were quantified on day 18 and compared between mice receiving DMSO or I-Stable Chem. Data are representative of the mean ± S.E. from n = 3-8 mice per group. Comparison of DMSO control to I-Stable Chem is shown: *, $p < 0.05$.

Two distinct mouse disease models were utilised to assess the *in vivo* consequences of administering I-Stable Chem. In a model of allergic airway responses, the impact of s-Chem(149-157), s-Stable Chem, and I-Stable Chem were assessed. A hallmark feature of this model is mucus metaplasia in the airways. To varying extents, each of the three Chemerin

treatments resulted in decreased production of airway epithelial mucus. Notably, the data illustrated that the most pronounced decrease in periodic acid-Schiff reagent staining was observed with l-Stable Chem. These results established, in principle, that Chemerin-based ligands can attenuate the mucus metaplasia that occurs as part of the allergic airway response.

At the same time, the results of the laboratory studies demonstrate that l-Stable Chem administration prior to ovalbumin ("**OVA**") challenge in sensitised mice attenuates the development of lung inflammation (Fig. 3*C*). These anti-inflammatory effects were apparent both histologically and by a significant reduction in eosinophils quantitated in bronchoalveolar lavage fluid ("**BALF**"). Because eosinophils are important mediators in the pathophysiology of asthma, a decrease in these cells is likely to be protective both against tissue remodelling and airway dysfunction in this disease[13]. Current therapeutics for asthma have in part targeted the biology of eosinophils by modulating their activity, chemotaxis, and survival[14]. The Directors believe that l-Stable Chem may be multipronged in its effect, providing both an anti-leukocyte effect as well as a protective effect against remodelling of the airway epithelium.

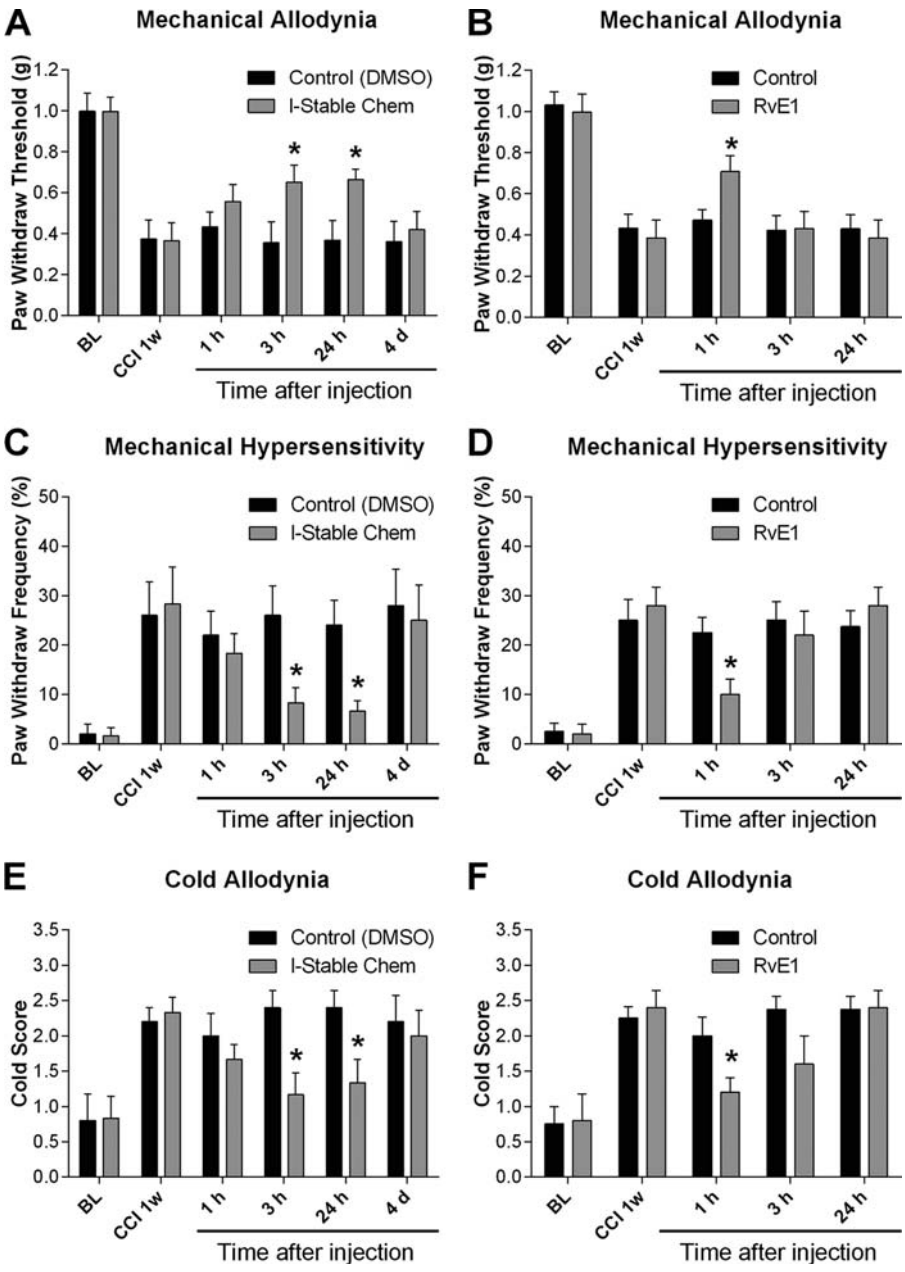


FIGURE 4. **Intrathecal treatment with l-Stable Chem reduces CCl-induced neuropathic pain.** Intrathecal injection of l-Stable Chem (100 pmol), 1 week after CCl, reduces CCl-induced mechanical hypersensitivity (*A* and *C*), and cold allodynia (*E*). Intrathecal injection of ResolvinE1 (*RvE1*) (100 pmol), 1 week after CCl, reduces CCl-induced mechanical hypersensitivity (*B* and *D*) and cold allodynia (*F*). *BL*, baseline before surgery. Data are representative of the mean $\pm$ S.E. from $n = 5$-8 mice per group. Comparison of control to l-Stable Chem or Resolvin-E1 is shown: *, $p < 0.05$.

As a second index of *in vivo* efficacy, the effects of l-Stable Chem on neuropathic pain following peripheral nerve injury were examined. It was illustrated that l-Stable Chem is effective at attenuating chronic constriction injury ("**CCI**") induced mechanical and cold hypersensitivity for at least 24 hours post-administration supporting our postulate that this analog is long acting. In contrast to the prolonged duration of action of l-Stable Chem, Resalvin-E1, a trihydroxy eicasapeutanenoic acid ("**RvE1**") (also targeting CMKLR1) lost efficacy after 1 h, in agreement with a previous report in a comparable animal model[2]. Even a stable analog of RvE1, called 19-pf-RvE1, designed to resist local metabolic inactivation, only attenuates spinal nerve ligation-induced neuropathic pain for 6 hour after injection[1]. Taken together, this data suggest that l-Stable Chem may offer more prolonged analgesic effects and highlights the novelty and efficacy of this compound *in vivo*.

Although asthma and neuropathic pain manifest as distinct diseases, they fall under the broader category of inflammatory disorders. It is therefore possible that the therapeutic efficacy of l-Stable Chem observed in these two models share similar mechanisms. CMKLR1 is expressed on a variety of inflammatory cells, including: natural killer ("**NK**") cells, deudritic cells ("**DCs**"), and macrophages. Altered functional modulation of these cell types (*e.g.* chemotaxis, phagocytosis) may play a role in the mechanism of action of l-Stable Chem. Alternatively, direct interaction of l-Stable Chem on endothelial cells (asthma) or dorsal root ganglia/dorsal horn spinal cord neurons[14] may underlie the protective effects of this ligand through the direct modulation of receptor-mediated signalling. Future studies aimed at further evaluating l-Stable Chem will reveal the cell-specific molecular mechanism underlying activity of this lipidated peptide.

Taken together, research data to date illustrates that l-Stable Chem is a potent inhibitor of allergic airway inflammation and neuropathic pain. The genesis of this compound and its efficacy *in vivo* will allow for dissection of pathways and evaluation of mechanisms of inflammation and synaptic transmission in disorders associated with CMKLR1 (ChemR23) signalling. In addition, given the putative role of the chemerin-CMKLR1 axis in other diseases[15-18], it will be of interest to test l-Stable Chem in corresponding animal models. It is anticipated, given the success of this compound, that other GPCRs implicated in inflammation may be targeted using a similar approach. MTL technology as a predictive index for the pharmacological features of lipidated peptides provides a powerful strategy to develop novel compounds for the treatment of inflammatory disease.

DED (Keratoconjunctivitis Sicca)

DED causes a scratchy sensation or the feeling that something is in the eye. Other symptoms include stinging or burning, episodes of excess tearing that follow periods of dryness, discharge, pain, and redness in the eye. People with DED may also feel as if their eyelids are heavy and may experience blurred vision.

In a healthy eye, lubricating tears called basal tears continuously bathe the cornea, the clear, dome-shaped outer surface of the eye. With every blink of the eye, basal tears flow across the cornea, nourishing its cells and providing a layer of liquid protection from the environment. When the glands nearby each eye fail to produce enough basal tears, or when the composition of the tears changes, the health of the eye and vision are compromised. Vision may be affected because tears on the surface of the eye play an important role in focusing light.

Tears are a complex mixture of fatty oils, water, mucus, and more than 1500 different proteins that keep the surface of the eye smooth and protected from the environment, irritants, and infectious pathogens. Tears form in three layers:

- An outer, oily (lipid) layer, produced by the Meibomian glands, keeps tears from evaporating too quickly and helps tears remain on the eye.
- A middle (aqueous) layer contains the watery portion of tears as well as water-soluble proteins. This layer is produced by the main lacrimal gland and accessory lacrimal glands. It nourishes the cornea and the conjunctiva, the mucous membrane that covers the entire front of the eye and the inside of the eyelids.
- An inner (mucin) layer, produced by goblet cells, binds water from the aqueous layer to ensure that the eye remains wet.

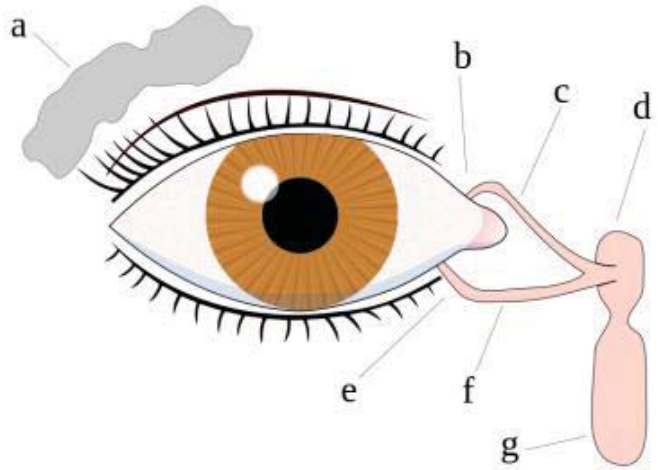
DED can occur when basal tear production decreases, tear evaporation increases, or tear composition is imbalanced. Factors that can contribute to DED include the following:

- Medications including antihistamines, decongestants, antidepressants, birth control pills, hormone replacement therapy to relieve symptoms of menopause, and medications for anxiety, Parkinson's disease, and high blood pressure have been associated with DED.
- Advancing age is a risk factor for declines in tear production. DED is more common in people age 50 years or older.
- Rosacea (an inflammatory skin disease) and blepharitis (an inflammatory eyelid disease) can disrupt the function of the Meibomian glands.
- Autoimmune disorders such as Sjögren's syndrome, lupus, scleroderma, and rheumatoid arthritis and other disorders such as diabetes, thyroid disorders, and Vitamin A deficiency are associated with DED.
- Women are more likely to develop DED. Hormonal changes during pregnancy and after menopause have been linked with DED. Women also have an increased risk for autoimmune disorders.
- Windy, smoky, or dry environments increase tear evaporation.
- Seasonal allergies can contribute to dry eye.
- Prolonged periods of screen time encourage insufficient blinking.
- Laser eye surgery may cause temporary dry eye symptoms.

DED, also known as dry eye syndrome, keratoconjunctivitis sicca ("**KCS**"), and keratitis sicca, is a multifactorial disease of the tears and the ocular surface that results in discomfort, visual disturbance, and tear film instability with potential damage to the ocular surface. DED is a common form of ocular surface disease ("**OSD**") and may overlap with other causes of OSD, such as ocular allergy and meibomian gland dysfunction ("**MGD**").

The ocular surface is an integrated anatomical unit consisting of seven key interactive and interdependent components: the tear film, the lacrimal and accessory lacrimal apparatus, the nasolacrimal drainage system, the eyelids, the bulbar and tarsal conjunctiva, cranial nerve V, and cranial nerve VII. Abnormalities or deficiencies in any of the seven ocular surface components may worsen DED, yet promise opportunities for effective therapeutic intervention.

The image below depicts the ocular surface anatomy.



Eye tear system anatomy, (Description) a. tear gland / lacrimal gland, b. superior lacrimal punctum, c. superior lacrimal canal, d. tear sac / lacrimal sac, e. inferior lacrimal punctum, f. inferior lacrimal canal, g. nasolacrimal canal.

Current treatment options

Cutting back on screen time and taking periodic eye breaks are among the environmental and lifestyle changes which may help. Closing the eyes for a few minutes, or blinking repeatedly for a few seconds, may replenish basal tears and spread them more evenly across the eye. Sunglasses that wrap around the face and have side shields that block wind and dry air can reduce symptoms in windy or dry conditions.

Prescription DED medications

Cyclosporine (Allergan plc: "Restasis®") and lifitegrast (Shire plc: "Xiidra®") are the only prescription medications approved by the FDA for treating DED. Corticosteroid eye drops also may be prescribed short-term to reduce eye inflammation.

There are some FDA-approved devices which provide temporary relief from dry eye by stimulating glands and nerves associated with tear production.

Surgical options

Punctal plugs made of silicone or collagen may be inserted by an eye care professional to partially or completely plug the tear ducts at the inner corners of the eye to keep tears from draining from the eye. In severe cases, surgical closure of the drainage ducts by thermal punctal cautery may be recommended to close the tear ducts permanently.

Market opportunity and competitors

DED has a vast history of clinical failures, leading to collective disappointment for patients and clinicians seeking new therapeutic options. The general approach for managing DED has not drastically changed in the past 50 years, with lubricating artificial tears and punctal plugs representing the mainstay therapy to alleviate disease symptoms and enhance ocular surface tear film volume.[1]

For patients, the symptoms of chronic ocular discomfort, dryness, and irritation are associated with significant impairment in visual-related quality of life. For eye care specialists, DED remains one of the most common reasons for patient visits, and its burden is increasing as the population ages.

Cyclosporine has a relatively long history in ophthalmology. Originally, topical cyclosporine was used to prevent corneal transplant rejection. In the late 1980s and early 1990s, it was mixed in a 1 or 2% oil base, either peanut or corn oil, and was shown to be effective for that purpose.

More recently it has been mixed in a 0.5% artificial tear vehicle, which has also been shown to be effective in preventing graft rejection.

Unfortunately, because of the vehicles of oils and artificial tears, the high concentration of cyclosporine needed to obtain clinical efficacy, as well as issues with toxicity, pain, and irritation, cyclosporine A never became very popular, except in the hands of corneal specialists. Despite these drawbacks, several authors reported stellar clinical effects with topical cyclosporine. For most ophthalmologists, however, the difficulties in these proprietary concoctions of cyclosporine outweighed the benefits.

In December 2002 the FDA approved a 0.05% cyclosporine ophthalmic emulsion produced by Allergan plc ("**Restasis**"), the earlier drawbacks have been addressed. Cyclosporine A is a selective T-cell immunosuppressive agent shown to have high clinical efficacy and a good safety profile. As cyclosporine is an immunomodulator and not an immunosuppressive, it offers advantages over traditional anti-inflammatories, such as corticosteroids.

Although billions of dollars have been invested in DED drug research and development, Restasis is the only cyclosporine ophthalmic emulsion that has been approved by the FDA to date.[2] However, Restasis is limited in treating dry eye, as it is indicated solely to increase tear production and not to treat the oft-disabling symptoms associated with DED. It also has a long onset of action (up to 6 months), and many patients discontinue its use because of the burning sensation associated with its administration.

Even after Restasis' approval, the overwhelming majority of surveyed ophthalmologists (94%) desired additional treatment options. Thus, there remains a need for newer agents that can diminish the symptoms of disease, have a rapid onset of action, protect the ocular surface, and are well-tolerated.[1]

In July 2016 the FDA approved Xiidra (lifitegrast ophthalmic solution, Shire plc) for the treatment of signs and symptoms of' DED. Xiidra is the first medication in a new class of drugs, called lymphocyte function-associated antigen 1 ("**LFA-1**") antagonist, approved by the FDA for DED.

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1 Semba CP, Gadek TR. Development of lifitegrast: a novel T-cell inhibitor for the treatment of DED. Clin Ophthalmol. 2016;10:1083-1094.

2 Xiidra. Lexington, MA: Shire US Inc; June 2016.

PART IX – REGULATORY AND OPERATING ENVIRONMENT

Overview

Government authorities in most jurisdictions extensively regulate the research, development, clinical testing, manufacture, distribution and marketing of pharmaceutical products such as those that the Company is developing. Obtaining regulatory approvals and ensuring subsequent compliance with applicable laws and regulations requires the expenditure of substantial time and financial and managerial resources. Regulatory requirements in different jurisdictions vary, and the timing and success of efforts to obtain regulatory approvals can be highly uncertain. Development of a successful drug candidate, from identification of a candidate drug compound, through pre-clinical and clinical testing, to registration, typically takes more than 10 years.

Drug development is a highly structured process divided into two major stages, pre-clinical and clinical. In the pre-clinical stage, the toxicology and mode of action of an active compound is evaluated. The clinical stage is designed to prove the safety of any new pharmaceutical, determine dosage requirements and, predominantly in the later phases, prove its efficacy. This stage is carried out in three phases, which, as a developer moves through the phases, require increasingly large, complex, expensive and time-consuming clinical studies. During Phase 1, the product candidate is initially given to a small number of healthy human subjects or patients and tested for safety, tolerance, absorption, metabolism, distribution and excretion. During Phase 2, additional trials are conducted in a larger, but still relatively limited, patient population to verify that the product candidate has the desired effect and to identify optimal dosage levels. Furthermore, possible adverse effects and safety risks are identified. The efficacy of the product candidate for specific targeted diseases is also studied in more depth. During Phase 3, trials are undertaken to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further study the safety in an expanded patient population at multiple clinical trial sites. Phase 3 trials may require several hundreds or thousands of patients and are therefore the most expensive and time-consuming to conduct. At any time during one of the phases, a trial may produce a negative result, in which case the developer may choose to end the development project.

Following completion of the Phase 3 trials, the developer submits all the pre-clinical and clinical trial documentation as well as extensive data characterising the manufacturing process to the regulator to seek regulatory approval to market the formulation as a pharmaceutical product. The regulator reviews all the information related to the safety of the active compound, and whether the pharmacological effect claimed by the developer on the proposed label can be substantiated by the results of the clinical trials. The regulator has the option to decide to approve the application as requested, ask for changes to the claims made by the developer, ask for more information, require that further clinical trials are undertaken, or refuse to approve the formulation for sale.

Even after initial regulatory approval has been obtained, further studies, including Phase 4 post-approval safety studies, may be required to provide additional data on safety and will be required to gain approval for the use of a product as a treatment for clinical indications other than those for which the product was initially tested. There are also continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data. In addition, regulatory authorities require post-marketing reporting to monitor the adverse effects of the product. Results of post-approval programmes may limit or expand the further marketing of the products. Further, if there are any modifications to the product, including changes in indication, manufacturing process or labelling, or a change in the manufacturing facility, an application seeking approval of such changes or, as the case may be, notification, must be submitted to the relevant regulatory authorities before the modified product can be commercialised. Moreover, an approved drug product may be subject to a Risk Evaluation and Mitigation Strategy ("**REMS**"), which could impose a number of post-approval obligations, including, *inter alia*, a communication plan for physicians regarding safe use of the drug, distribution and use restrictions, and/or periodic assessments of the effectiveness of the REMS. Finally, studies may be required as a contingency of regulatory approval (post-approval commitments), and completion of these studies within a regulator mandated time frame may be required.

European Union

The development, marketing and sale of medicinal products in the EU is subject to extensive pre and post marketing regulation by regulatory authorities at both the EU and national levels. The

requirements, regulatory approvals and processes governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country, although there is some degree of EU wide harmonisation.

Clinical Trials

Clinical trials of medicinal products in the EU must be conducted in accordance with EU and national regulations, focusing in particular on traceability, apply to clinical trials of advanced therapy medicinal products. If the sponsor of the clinical trial is not established within the EU, it must appoint an entity within the EU to act as its legal representative. The sponsor must take out a clinical trial insurance policy and, in most EU countries, the sponsor is liable to provide 'no fault' compensation to any study subject injured in the clinical trial.

Prior to commencing a clinical trial, the sponsor must obtain a clinical trial authorisation from the relevant regulatory authority, and a positive opinion from an independent ethics committee. The application for a clinical trial authorisation must include, *inter alia*, a copy of the trial protocol and an investigational medicinal product dossier containing information about the manufacture and quality of the medicinal product under investigation. Currently, clinical trial authorisation applications must be submitted to the regulatory authority in each EU member state in which the trial will be conducted. Under the new Regulation on Clinical Trials, which is currently expected to take effect in October 2018, there will be a centralised application procedure where one national authority takes the lead in reviewing the application and the other national authorities have only a limited involvement. Any substantial changes to the trial protocol or other information submitted with the clinical trial applications must be notified to or approved by the relevant competent authorities and ethics committees. Medicines used in clinical trials must be manufactured in accordance with cGMP.

Marketing Approval

In the EU medicinal products can only be commercialised after obtaining a marketing approval. There are three procedures for obtaining marketing approvals: the centralised procedure ("**CP**"), the decentralised procedure ("**DCP**") and the mutual recognition procedure/national procedure ("**MRP**").

The Community marketing authorisation, which is issued by the European Commission through the centralised procedure, based on the opinion of the Committee for Medicinal Products for Human Use of the EMA, is valid throughout the entire territory of the EU. The centralised procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune and viral diseases. The centralised procedure is optional for products containing a new active substance not yet authorised in the EU, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU.

Marketing approvals obtained using the DCP are available for products not falling within the mandatory scope of the CP. An identical dossier is submitted to the regulatory authorities of each of the member states in which the marketing approval is sought, one of which is selected by the applicant as the reference member state ("**RMS**"). The competent authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics and a draft of the labelling and package leaflet, which are sent to the other the concerned member states ("**CMS**")) for their approval. A CMS can raise an objection, based on the assessment report, the summary of product characteristics, the labelling and the package leaflet on the grounds of potential serious risk to public health. If no such objections are raised the product will be granted a national marketing authorisation in the RMS and all of the selected CMSs. Where a product has already been authorised for marketing in a member state of the EEA, this DCP approval can be recognised in other member states through the MRP.

Marketing approvals obtained using the MRP are issued by a single regulatory authority of one of the member states of the EU and only apply to the territory covered by the relevant regulatory authority. They are available for products not falling within the mandatory scope of the CP. Once a product has been authorised for marketing in a member state of the EU through the MRP, any application in another member state must be by the MRP whereby the marketing approval can also be recognised in other member states through the MRP.

Under the procedures described above, before granting the marketing approval, the EMA or the relevant regulatory authority of the member states of the EU makes an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

The holder of a marketing approval in any member state of the EU is subject to various obligations under applicable EU regulations, such as pharmacovigilance obligations, requiring it to, *inter alia*, report and maintain detailed records of adverse reactions, and to submit periodic safety update reports to the regulatory authorities. The holder must also ensure that the manufacturing and batch release of its product is in compliance with the applicable requirements. The marketing approval holder is further obligated to ensure that the advertising and promotion of its products complies with applicable laws, which can differ from member state to member state of the EU.

Data Exclusivity

Marketing Authorisation Application ("**MMA**") for generic medicinal products in the EU do not need to include the results of pre-clinical and clinical trials, but instead can refer to the data included in the marketing approval of a reference product for which regulatory data exclusivity has expired. If a marketing approval is granted for a medicinal product containing a new active substance, that product benefits from eight years of data exclusivity, during which generic MAAs referring to the data of that product may not be accepted by the regulatory authorities, and a further two years of market exclusivity, during which such generic products may not be placed on the market. The two-year period may be extended to three years if during the first eight years a new therapeutic indication with significant clinical benefit over existing therapies is approved.

There is a special regime for biosimilars, or biological medicinal products that are similar to a reference medicinal product but that do not meet the definition of a generic medicinal product, for example, because of differences in raw materials or manufacturing processes. For such products, the results of appropriate pre-clinical or clinical trials must be provided, and guidelines from the EMA detail the type quantity and quality of supplementary data to be provided for different types of biological product. There are no such guidelines for complex biological products, such as gene or cell therapy medicinal products, and so it is unlikely that biosimilars of those products will currently be approved in the EU. However, guidance from the EMA states that they will be considered in the future in light of the scientific knowledge and regulatory experience gained at the time.

United States

Standard Procedure

In the US, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable US requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA's refusal to approve pending NDAs, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of pre-clinical laboratory studies, animal studies and formulation studies in compliance with the FDA's good laboratory practice regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by the institutional review board ("**IRB**") at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with applicable IND and other clinical trial-related regulations, sometimes referred to as GCPs to establish the safety and efficacy of the proposed product candidate for its proposed indication;
- submission to the FDA of a Biologics License Application ("**BLA**") or NDA;

- satisfactory completion of an FDA pre-approval inspection of the production facility or facilities where the product is produced to assess compliance with the FDA's current GMP ("**cGMP**") requirements to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality, purity and potency;
- potential FDA audit of the pre-clinical and/or clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the BLA or NDA prior to any commercial marketing or sale of the product in the US.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Other potential consequences include, *inter alia*:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- Injunctions or the imposition of civil or criminal penalties.

Clinical Trials

Clinical trials involve the administration of the IND to human patients under the supervision of qualified investigators in accordance with GCP requirements, which include the requirement that all research patients provide their informed consent in writing for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, *inter alia*, the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, an IRB at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health for public dissemination on their website. Regulatory authorities, IRBs or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk.

Marketing Approval

Assuming successful completion of the required clinical testing, the results of the pre-clinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls ("**CMC**") and proposed labelling, *inter alia*, are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. In most cases, the submission of an NDA is subject to a substantial application user fee. Under the Prescription Drug User Fee Act guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard NDA for a new molecular entity to review and act on the submission. This review typically takes 12 months from the date the NDA is submitted to the FDA because the FDA has approximately two months to make a "filing" decision.

In addition, under the Paediatric Research Equity Act of 2003 and labelling, certain NDAs or supplements to an NDA must contain data that are adequate to assess the safety and effectiveness of the drug for the claimed indications in all relevant paediatric subpopulations, and to support dosing and administration for each paediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all paediatric data until after approval of the product for use in adults, or full or partial waivers from the paediatric data requirements.

The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, *inter alia*, whether the drug is safe and effective and whether the facility in

which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving a BLA or NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP requirements.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or pre-clinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorises commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labelling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programmes to monitor the product after commercialisation, or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programmes. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labelling claims, are subject to further testing requirements and FDA review and approval.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may designate a biologic product as an ''orphan drug'' if it is intended to treat a rare disease or condition (generally meaning that it affects fewer than 200,000 individuals in the US, or more in cases in which there is no reasonable expectation that the cost of developing and making a biologic product available in the US for treatment of the disease or condition will be recovered from sales of the product).

If a product with orphan status receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan product exclusivity, meaning that the FDA may not approve any other applications to market the same drug or biologic product for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity or if the party holding the exclusivity fails to assure the availability of sufficient quantities of the drug to meet the needs of patients with the disease or condition for which the drug was designated. Competitors, however, may receive approval of different products for the same indication for which the orphan product has exclusivity or obtain approval for the same product but for a different indication for which the orphan product has exclusivity.

Post-Approval Requirements for the EU and US

The FDA and the relevant regulatory authorities in the EU strictly regulate marketing, labelling, advertising and promotion of products that are placed on the market in their respective territories. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. The regulatory authorities actively enforce the laws and regulations prohibiting

the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the relevant regulatory authorities, and are subject to periodic unannounced inspections by them to confirm compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior approval of the relevant regulatory authorities before being implemented. Regulations laid down by the FDA and the regulatory authorities in the EU also require investigation and correction of any deviations from the requirements of cGMP and impose reporting and documentation requirements upon the marketing approval holder and any third party manufacturers that the marketing approval holder may decide to use.

Other Healthcare Laws in the EU and US

The Company will also be subject to healthcare regulation and enforcement by the US federal government and the states and governments in the EU and any other countries in which the Company conducts its business, including its research, and the marketing and distribution of its product candidates and products once they have obtained a marketing approval. Failure to comply with these laws, where applicable, can result in the imposition of significant civil penalties, criminal penalties, exclusion from participating in health care programmes, additional reporting requirements and oversight if the Company becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and other sanctions. The healthcare laws and regulations that may affect the Company's ability to operate in the US include: the federal fraud and abuse laws, including the federal anti-kickback and false claims laws; federal data privacy and security laws; and federal transparency laws related to payments and/or other transfers of value made to physicians and other healthcare professionals and teaching hospitals. Many US states have similar laws and regulations that may differ from each other and federal law in significant ways. Moreover, several US states have enacted legislation requiring pharmaceutical manufacturers to, *inter alia*, establish marketing compliance programmes, file periodic reports with the state, and make periodic public disclosures on sales and marketing activities, and prohibiting certain other sales and marketing practices. Rules and legislation covering more or less the same subject matter as those in the US apply to in countries in the EU and to other countries. These can differ between jurisdictions and can sometimes result in lower or higher exposure in those countries than in the United States. Where a product is sold in a number of countries compliance efforts can therefore be complicated.

Coverage and Reimbursement in the EU and US

Sales of products developed from the Company's product candidates, if approved, will depend, in part, on the extent to which such products will be covered by third party payors, such as government health care authorities, government health care programmes, commercial insurance and managed healthcare organisations. These third party payors are increasingly limiting coverage or reducing reimbursements for medical products and services. In the US, no uniform policy of coverage and reimbursement for products exists among third party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. In addition, the US government, state legislatures and foreign governments have continued implementing cost-containment programmes, including price controls, restrictions on reimbursement and requirements for substitution of generic products.

Governments influence the price of medicinal products in the EU through their pricing and reimbursement rules and control of national healthcare systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular product candidate to currently available therapies. Other EU member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on healthcare costs in general in the EU governments influence the price of medicinal products through their pricing and reimbursement.

The adoption of price controls and cost-containment measures, and the adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit the Company's net revenue and results. Decreases in third party reimbursement for the Company's product candidates

or a decision by a third party payor to not cover the Company's product candidates could reduce physician usage of the Company's product candidates, once approved, and have a material adverse effect on the Company's sales, results of operations and financial condition.

PART X – OPERATING AND FINANCIAL REVIEW (INCLUDING LIQUIDITY AND CAPITAL RESOURCES AND CAPITALISATION AND INDEBTEDNESS)

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's financial information for the year ended 31 March 2017, which is the only relevant period, included in Part XVII – Historical Financial Information of this document prepared in accordance with IFRS.

This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements in Part IV – Important Information of this document.

The key risks and uncertainties, include, but are not limited to those described in Part II – Risk Factors of this document.

Overview

The Company was incorporated in the British Virgin Islands as a BVIBC on 4 July 2007 under the BVI Business Companies Act with company number 1415559 under the name Jellon Enterprises Inc. The legal and commercial name of the Company was changed to Minor Metals & Mining Inc. on 24 October 2007, to Emerging Metals Limited on 28 November 2007, to West African Minerals Corporation on 9 December 2011, and to OKYO Pharma Corporation on 10 January 2018. On 3 July 2018 the Company was registered under the Guernsey Companies Law under the name OKYO Pharma Limited, as a company with limited liability and with an indefinite life, and will be subject to the Takeover Code from Admission.

The Company has published its financial results for the year ended 31 March 2017 and unaudited interim results for the six month period ended 30 September 2017, the latter which show a cash balance of £2.67 million. Since 2016, the Company's operations have been limited to maintaining its licence interests in Cameroon on a care and maintenance basis. The Company now has no material liabilities other than in respect of establishment costs.

Capital resources

The Company's capital resources comprise its share capital and reserves.

In the period ended 31 March 2017, being the period covered by the most recently published audited financial information, cash outflow from operations totalled £449,965. Cash inflows from financing activities amounted to £3,545. No dividends on Ordinary Shares or other cash flows arose during the period.

The Company does not forecast any restrictions on its ability to meet financial commitments as they fall due.

Capitalisation and indebtedness

The following table shows the Company's indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 December 2017 and the Company's capitalisation as at 31 December 2017.

	As at 30 September 2017 £
Total current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt (excluding current portion of non-current debt)	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholders' equity	—
Share capital	2,608,832
Legal reserve	—
Other reserves	(10,479)
Total capitalisation	2,598,353

The following table shows the Company's net financial indebtedness as at 5 July 2018.

	As at 5 July 2018 £
Cash	£1,617,163
Liquidity	—
Current financial debt	—
Net current financial indebtedness	—
Non-current financial indebtedness	30,000
Net financial indebtedness	£1,647,163

The Company had no indirect or contingent indebtedness at 5 July 2018.

There has been no material change in the capitalisation and indebtedness of the Company since 31 March 2017 (being the last date in respect of which the Company has published audited financial information). The cash balance as at 5 July 2018 was £1,617,163 and there were as at that date no borrowings.

Hedging arrangements and risk management

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation

between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

PART XI – UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A

ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

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

The Directors
OKYO Pharma Corporation
c/o Cooley Services Limited
Dashwood
69 Old Broad Street
London
EC2M 1QS

12 July 2018

Dear Sirs,

Introduction

We report on the unaudited *pro forma* statement of net assets (the ''Unaudited Pro Forma Financial Information'') of OKYO Pharma Corporation (the ''Company'') set out in Section B of *Part XI – Unaudited Pro Forma Financial Information* of the Company's prospectus dated 12 July 2018 (the ''Prospectus''), which has been prepared on the basis described within notes thereto and for illustrative purposes only, to provide information about how the Chemerin Acquisition, the BAM-8 Acquisition and Admission might affect the income, expenses and net assets presented on the basis of the accounting policies adopted by the Company in preparation of the unaudited interim financial information as at 30 September 2017. This report is required by item 20.2 of Annex I of Commission Regulation (EC) No. 809/2004 and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with item 20.2 of Annex I and items 1 to 6 of Annex II of Commission Regulation (EC) No. 809/2004.

It is our responsibility to form an opinion, in accordance with item 20.2 of Annex I of Commission Regulation (EC) No. 809/2004, as to the proper compilation of the Unaudited Pro Forma Financial Information and to report that opinion to you in accordance with item 7 of Annex II of Commission Regulation (EC) No. 809/2004.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person and to the extent there provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No. 809/2004, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly complied on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of Commission Regulation (EC) No. 809/2004.

Yours faithfully,

KPMG Audit LLC

SECTION B

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF THE NET ASSETS FOR THE COMPANY POST INVESTMENT

Set out below is an unaudited *pro forma* statement of net assets of the Company Post Investment as at 30 September 2017. The unaudited *pro forma* statement of net assets of the Company Post Investment for the 12 month period ending 31 March 2017 has been prepared on the basis set out in the notes below and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II of the Prospectus Rules to illustrate the impact of the Disposal, the Chemerin Acquisition and the BAM-8 Acquisition as if they had taken place on 30 September 2017.

The unaudited *pro forma* statement of net assets has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Company Post Investment's actual financial position or results. The unaudited *pro forma* statement of net assets may not, therefore, give a true picture of the Company Post Investment's financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future. The unaudited *pro forma* statement of net assets is based on the unaudited net assets of the Company Post Investment as at 30 September 2017 as shown in *Part XI – Unaudited Pro Forma Financial Information* of this document). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 September 2017, being the date of the last published balance sheet of the Company.

Investors should read the whole of this document and not rely solely on the summarised unaudited *pro forma* statement of net assets contained in this *Part XI – Unaudited Pro Forma Financial Information* of this document.

Unaudited *pro forma* statement of net assets at 30 September 2017

	Company net assets as at 30 September 2017 (Note 1) £	Adjustments to reflect the Disposal (Note 2) £	Issue of equity and cash consideration associated with the Chemerin Acquisition and the BAM-8 Acquisition (Note 3) £	Unaudited *pro forma* net assets of the Company on Admission £
Assets				
Non-current assets				
Property, plant and equipment	42,518	(42,518)	—	—
Loan to former subsidiary	—	447,761	(447,761)	—
Investment in Chemerin Acquisition And BAM-8 Acquisition	—	—	2,488,350	2,488,350
	42,518	405,243	2,040,589	2,488,350
Current assets				
Trade and other receivables	167,257	—	—	167,257
Cash and cash equivalents	2,666,675	(447,761)	(463,350)	1,755,056
Current assets	2,833,932	(447,761)	(463,350)	1,923,313
Total assets	2,876,450	(42,518)	1,577,239	4,411,171
Liabilities				
Current liabilities				
Trade and other payables	235,579	—	—	235,579
Current liabilities	235,579	—	—	235,579
Shareholders' Equity				
Share capital	—	—	—	—
Share premium	66,192,355	(63,583,523)	2,025,000	4,633,832
Foreign currency transaction	(10,479)	—	—	(10,479)
Retained deficit	(63,541,005)	63,541,005	(447,761)	(447,761)
Total Equity	2,640,871	(42,518)	1,577,239	4,175,592
Total liabilities and equity	2,876,450	(42,518)	1,577,239	4,411,171

Notes

1. The unaudited net assets of the Company as at 30 September 2017 have been extracted without adjustment from the historic financial information of the Group which is set out in *Part XVII – Historical Financial Information* of this document.
2. Adjustments to reflect the disposal of Ferrum shares outlined in the Company's circular dated 21 December 2017.
3. The Company intends to invest in the Chemerin Project, and will settle this acquisition via the issue of 135,000,000 Ordinary Shares credited fully paid at a market price expected to be in the region of 1.5p each (providing a fair value for this element of the consideration of £2,025,000) and US$450,000 (£338,350) paid in cash to the vendors, providing a total consideration of £2,363,350.

The Company also invested US$175,000 (£125,000) in the BAM-8 Acquisition as a cash payment to On Target Therapeutics.

The Directors have also assessed the recoverability of the US$600,000 (£447,761) loan made to Ferrum as part of the disposal process and concluded that it would be appropriate to make a provision against the recoverability of this loan at this time.

PART XII – TERMS OF THE SCIENTIFIC WARRANTS

The Scientific Warrants were constituted by, and were issued subject to and with the benefit of, the Scientific Warrant Instrument.

Holders of Scientific Warrants are bound by all the terms and conditions set out in the Scientific Warrant Instrument. The terms and conditions attached to the Scientific Warrants and summarised in this *Part XII – Terms of the Scientific Warrants* of this document. Statements made in this summary are a description of those made in the Scientific Warrant Instrument.

1. Definitions

In this *Part XII – Terms of the Scientific Warrants*, unless the context requires otherwise, each of the following expressions has the following meanings:

Articles	the articles of association or articles of incorporation of the Company in force from time to time.
Business Day	any day (other than a Saturday or Sunday) or an English bank or public holiday.
Certificate	in relation to a Scientific Warrant, a certificate evidencing a Warrantholder's entitlement to Scientific Warrants.
Conditions	the conditions to exercise of the Scientific Warrants are as follows: (i) 5,000,000 Scientific Warrants shall become exercisable on the completion of a successful Phase I clinical study of the Chemerin Project demonstrating safety and tolerance with regard to toxicity; (ii) 5,000,000 Scientific Warrants shall become exercisable on the establishment of proof-of-concept in either a Phase II or pre-Phase II clinical trial of the Chemerin Project (regardless of the inclusion of dose escalation); (iii) a further 10,000,000 Scientific Warrants shall become exercisable on a Phase II human clinical trial of the Chemerin Project demonstrating safety and statistical efficacy in the indication of DED; (iv) the final 15,000,000 Scientific Warrants shall become exercisable upon approval of NDA for the use of the Chemerin Project in the treatment of DED;
Exercise Date	(i) in relation to an Scientific Warrant which is in certificated form, the date of delivery to the registered office of the Company of the items specified in the Scientific Warrant Instrument (and the date of such delivery shall be the date on which such items are received at the Company's registered office) or if not a Business Day then the immediately following Business Day; and (ii) in relation to a Scientific Warrant which is in uncertificated form, the date of receipt of the properly authenticated dematerialised instruction and/or other instruction or notification.
Final Subscription Date	17 July 2023, provided that if any exercise of the Scientific Warrants would trigger any obligation on the Warrantholder to make a general offer under Rule 9 of the Takeover Code, on the Final Subscription Date, the Final Subscription Date shall be extended by one year, and by consecutive periods of one year thereafter under the issued share capital of the Company or any issues of concertedness between the Warrantholders and other parties would no longer give rise to such an obligation under the Takeover Code.

Notice of Exercise	in relation to a Scientific Warrant, the duly completed notice of exercise in the form, or substantially in the form, contained in the certificate for such holder.
Register	the register of holders of Warrants to be maintained by the Registrar.
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).
Stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited.
Special Resolution	a resolution of the Warrantholders holding not less than 75% of the outstanding Scientific Warrants.
Subscription Price	subject to the provisions of the Scientific Warrant Instrument, 4.5p per Ordinary Share (as may be adjusted from time to time).
Subscription Rights	the rights of the Warrantholders to subscribe for Ordinary Shares pursuant to the Warrants on the terms and subject to the conditions of the Scientific Warrant Instrument.
Warrantholder(s)	the person(s) in whose name(s) a Scientific Warrant is registered in the Register from time to time.

2. Subscription Rights

2.1. Warrantholders are entitled in respect of every one Scientific Warrant held to subscribe for one Ordinary Share in the Company at a price of 4.5p per share. The Scientific Warrants registered in a Warrantholder's name will be evidenced by a Certificate issued by the Company.

2.2. Each Scientific Warrant may be exercised by Warrantholders at any time after the date on which the Warrants are issued and before the Final Subscription Date subject to the Conditions with respect to the exercise of the relevant Scientific Warrants having been satisfied.

2.3. In order to exercise the whole or any part of its holding of Scientific Warrants held in certificated form, a Warrantholder must deliver to the Company before the Final Subscription Date a Notice of Exercise together with the relevant Certificate and the remittance in cleared funds of an amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Scientific Warrants which are being exercised.

2.4. In order to exercise the whole or any part of its holding of Scientific Warrants in uncertificated form, a Warrantholder must deliver to the Company before the Final Subscription Date a properly authenticated dematerialised instruction and/or other instruction or notification together with the payment transfer for the aggregate amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Subscription Rights.

2.5. Once delivered to the Company in accordance with paragraphs 2.3 and 2.4 above, a Notice of Exercise shall (save with the consent of the Company) be irrevocable.

2.6. To the extent that Ordinary Shares to be allotted and issued on the exercise of Scientific Warrants held in certificated form, the Company shall deliver a share certificate for the Ordinary Shares so allotted to the relevant Warrantholder by no later than 28 days after such Notice of Exercise was delivered to the Company in accordance with paragraph 2.3.

2.7. To the extent that Ordinary Shares to be allotted and issued on the exercise of Scientific Warrants held in uncertificated form through CREST, the Company shall procure that Euroclear is instructed to credit to the stock account of the relevant Warrantholder entitlements to such Ordinary Shares.

2.8. Ordinary Shares allotted pursuant to the exercise of Scientific Warrants shall be allotted and issued credited as fully paid, shall have the rights set out in the New Articles, shall be entitled in full to all dividends and distributions declared or paid on any date, or by reference to any date, on or after the date on which the relevant Notice of Exercise was delivered to the

Company in accordance with paragraph 2.3 or 2.4 above and shall otherwise rank *pari passu* in all respects from the date of allotment with the Ordinary Shares of the Company then in issue.

2.9. Scientific Warrants shall be deemed to be exercised on the Exercise Date.

3. Adjustment of Subscription Rights

3.1. Upon the occurrence of a reorganisation or reclassification of the share capital of the Company, or an issue of new shares, capitalisation issue or offer by way of rights by the Company, or a sub-division, reduction or consolidation of the capital of the Company, or a merger or consolidation of the Company with or into another company or demerger, or the modification of rights attaching to the Ordinary Shares or a dividend in kind declared and/or made by the Company (each, an "**Adjustment Event**") after the date on which any Scientific Warrants are granted, the number of Ordinary Shares which are the subject of the Warrants and the Subscription Price payable on the exercise of Warrants shall be adjusted either in such manner as the Company agree in writing is appropriate or, failing agreement, in such manner as the auditors of the Company shall certify is appropriate.

3.2. The Company shall not implement an Adjustment Event if it would otherwise result in the Subscription Price payable per Ordinary Share on the exercise of the Scientific Warrants being less than the nominal value of an Ordinary Share.

3.3. No exercise of Scientific Warrants shall result in the issue of a fraction of an Ordinary Share. Any fractional entitlements to Ordinary Shares arising as a result of an adjustment shall be rounded down to the nearest whole Ordinary Share.

4. Winding-up of the Company

4.1. If, at any time when any Subscription Rights are exercisable, an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected then:

(a) if such winding-up or dissolution is for the purpose of a reconstruction or amalgamation pursuant to a scheme of arrangement to which any Warrantholder has consented in writing, the terms of such scheme of arrangement will be binding on such Warrantholder; or

(b) in any other case, the Company shall forthwith notify the Warrantholder stating that such an order has been made or resolution has been passed or other dissolution is to be effected and the Warrantholder shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Ordinary Shares, such a sum, if any, as it would have received had it been the holder of and paid for the Ordinary Shares to which it would have become entitled by virtue of such exercise, after deducting from such sum an amount equal to the amount which would have been payable by it in respect of such Ordinary Shares if it had exercised all its Scientific Warrants, but nothing contained in this paragraph shall have the effect of requiring the Warrantholder to make any actual payment to the Company.

4.2. Subject to compliance with paragraph 4.1, the Scientific Warrants shall lapse on a dissolution or winding-up of the Company.

5. Undertakings

5.1. Unless otherwise authorised in writing by the Warrantholder(s) holding the majority of the outstanding Scientific Warrants from time to time:

(a) the Company shall maintain all necessary authorisations pursuant to the Guernsey Companies Law to enable it to lawfully and fully perform its obligations under the Warrant Instrument to allot and issue Ordinary Shares upon the exercise of all Warrants remaining exercisable from time to time;

(b) if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the Ordinary Share capital of the Company, the Company will as soon as possible give notice of such offer to the Warrantholders and use its best endeavours to procure that a full and adequate

opportunity is given to the Warrantholders to exercise the Scientific Warrants and that a like offer, being one *pari passu* with the best terms offered to holders of Ordinary Shares, is extended in respect of any Ordinary Shares issued upon exercise of the Warrants. The publication of a scheme of arrangement providing for the acquisition by any person of the whole or any part of the Ordinary Share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 5.1(B) and references herein to such an offer shall be read and construed accordingly;

(c) if at any time an offer or invitation is made by the Company to the holders of Ordinary Shares for the purchase by the Company of any of the Ordinary Shares, the Company shall simultaneously give notice thereof to the Warrantholders who shall be entitled, at any time while such offer or invitation is open for acceptance, to exercise their Scientific Warrants on the terms (subject to any adjustments pursuant to paragraph 3.1 above) on which the same could have been exercised and as if the same had been exercised on the day immediately preceding the record date for such offer or invitation;

(d) the Company shall supply to the Warrantholders copies of all notices of meetings, annual reports and accounts and all documents required by law to be annexed thereto and all statements, circulars and other communications to its shareholders at the same time as they are despatched to its shareholders.

6. Modification of Rights

6.1. All or any of the rights for the time being attached to the Scientific Warrants may from time to time (whether or not the Company is being wound up) be altered, amended or abrogated only with the prior sanction of a Special Resolution of the Warrantholders and the agreement of the Company and shall be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to the Scientific Warrant Instrument.

6.2. All the provisions of the Articles for the time being of the Company relating to general meetings shall apply *mutatis mutandis* as though the Scientific Warrants were a class of shares forming part of the capital of the Company except that:

(a) the necessary quorum shall be Warrantholders present (in person or by proxy) entitled to subscribe for 10% in nominal amount of the Ordinary Shares attributable to the outstanding Scientific Warrants;

(b) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Scientific Warrants held by him; and

(c) any Warrantholder present (in person or by proxy) may demand or join in demanding a poll.

7. Transfer

The Scientific Warrants shall be in registered form and shall be transferable by instrument in writing in the usual common form (or in such other form as the Directors may reasonably approve). A Warrantholder's holding of Scientific Warrants may be transferred in whole or in part, but no transfer of a right to subscribe for a fraction of an Ordinary Share shall be affected.

8. Purchase

8.1. The Company and its subsidiaries shall have the right to purchase Scientific Warrants in the market, by tender or by private treaty or otherwise.

8.2. All Scientific Warrants purchased or surrendered pursuant to paragraph 8.1 shall forthwith be cancelled and shall not be available for reissue or resale.

9. Governing Law and Jurisdiction

The provisions of the Scientific Warrant Instrument and the Scientific Warrants shall be subject to and governed by English law and each of the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Scientific Warrant Instrument.

PART XIII – TAXATION

1. General

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring holding or disposing of the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of HMRC as at the date of this document, both of which may change at any time, possibly with retrospective effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than in an individual savings account or a Self-Invested Personal Pension) and who are the absolute legal and beneficial owner of both the Ordinary Shares and any dividends paid in respect of them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. They do not describe all of the circumstances in which holders of the Ordinary Shares may benefit from an exemption or relief from UK taxation. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

2. Taxation of Dividends

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

An individual Shareholder who is resident for tax purposes in the UK and who receives a cash dividend from the Company will generally not pay income tax on the first £2,000 of dividend income in the 2018/2019 tax year (the "**nil rate band**"). An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the dividend in excess of the nil rate band at the rate of 7.5%.

An individual UK resident Shareholder who is subject to income tax at the higher rate or the additional rate will (subejct to the availability of any income tax personal allowance) be liable to tax on the dividend in excess of the nil rate band at the rate of 32.5% (2018/19) or 38.1% (2018/19) respectively to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate or additional rate income tax.

UK resident corporate Shareholders

It is likely that most dividends paid on the Ordinary Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company at the current rate of 19%.

Non-UK resident Shareholders

A Shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. A Shareholder who is not resident for tax purposes in the UK should not be chargeable to UK income tax on dividends received from the Company unless he or she carries on (whether solely or in partnership) any trade, profession, or vocation in the UK through a branch or agency to which the Ordinary Shares are attributable (subject to certain exceptions for trading through independent agents, such as some brokers and investment managers). A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

3. Taxation of Disposals

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available

exemption or relief (such as the annual exempt amount for individuals and indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains. It should be noted that changes were introduced in the Finance Act 2018 which restrict the application of indexation relief to assets acquired prior to 1 January 2018 and, in addition, will change the calculation of the relief for disposals (or deemed disposals) of such assets on or after 1 January 2018 so as to apply the Retail Price Index for December 2017 regardless of the actual date of disposal.

For a Shareholder within the charge to UK capital gains tax, capital gains tax is charged on gains on the disposal of Ordinary Shares to the extent that the gain exceeds any applicable annual exemption. The rate is 10% (2018/19) for individuals who are subject to income tax at the basic rate, save to the extent that any capital gains when aggregated the Shareholder's other taxable income and gains in the relevant tax year exceeds the upper limit of the income tax basic rate band, in which case the excess will be taxed at a rate of 20 per cent. The current rate for all trustees and personal representatives, and individuals who are subject to income tax at the higher or additional rates is 20% (2018/19). For a corporate Shareholder within the charge to UK corporation tax, corporation tax is charged on chargeable gains at the current rate of 19% (2018/19).

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treaty as resident outside of the UK for the purposes of a double tax treaty non-resident and who disposes of all or part of their Shares during that period may be liable to capital gains tax on their return to the UK if the temporary non-residence rules are met, subject to any available exemptions or reliefs.

4. Stamp duty and Stamp Duty Reserve Tax (''SDRT'')

No UK stamp duty or stamp duty reserve tax is payable on the issue of the Ordinary Shares.

In practice, UK stamp duty should generally not need to be paid on an instrument transferring the Ordinary Shares, provided that all instruments effecting or evidencing the transfer (or matters or things to be done in relation to the transfer) are executed and retained outside of the UK. However, Shareholders should be aware that, even where an instrument of transfer is in principle liable to stamp duty, stamp duty is not directly enforceable as a tax and, in practice, does not normally need to be paid on the transfer of shares in non-UK incorporated companies unless it is necessary to rely on the instrument of transfer in the UK for legal purposes (for example, to register a change of ownership by updating a share register held in the UK or in the event of civil litigation in the UK).

SDRT is generally deducted automatically by CREST and paid to UK tax authorities. However, as the Company is incorporated in Guernsey and for so long as it maintains its share register outside of the UK and that the Ordinary Shares are not paired with shares issued by a company (or any other body corporate) incorporated in the United Kingdom, no UK SDRT will be payable in respect of any agreement to transfer Ordinary Shares. The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the Ordinary Shares will not be registered in a register kept in the UK by or on behalf of the Company. The Company has confirmed it does not intend to keep such a register in the UK.

5. Inheritance Tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

PART XIV – ADDITIONAL INFORMATION

1. Responsibility statements

The Directors, whose names appear on page 40 of this document, and the Company accept responsibility for all the information contained in this document. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1. The Company was incorporated in the BVI as a BVIBC on 4 July 2007 under the BVI Business Companies Act with company number 1415559 under the name Jellon Enterprises Inc. The legal and commercial name of the Company was changed to Minor Metals & Mining Inc. on 24 October 2007; to Emerging Metals Limited on 28 November 2007; and to West Africa Minerals Corporation on 9 December 2011. On 10 January 2018 the legal and commercial name of the Company was changed to OKYO Pharma Corporation. Upon Migration on 3 July 2018, the Company was registered under the Guernsey Companies Law under the name OKYO Pharma Limited, as a Guernsey company with limited liability and an indefinite life, and will be subject to the Takeover Code with effect from Admission. The liability of the members is and will be limited under applicable law.

2.2. The principal legislation under which the Company operates and its securities are governed by the Guernsey Companies Law. The Company operates in conformity with its constitution.

2.3. On 1 July 2008, the Ordinary Shares were admitted to trading on AIM.

2.4. The registered office of the Company is at Martello Court, Admiral Park, St. Peter Port, Guernsey GY1 3HB.

2.5. The principal operating address of the Company is 55 Park Lane, London W1K 1NA and its telephone number is +44 (0)207 495 2379.

2.6. The website address of the Company is www.okyopharma.com.

2.7. The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.8. The business of the Company and its principal activity is to act as a company in the life sciences and biotechnology sector.

3. Structure of the Group

As at the date of this document, the Company has no subsidiaries.

4. Share Capital

4.1. The Company is authorised under its articles of incorporation to issue an unlimited number of par or no par value shares of different classes. The shares may be issued to such persons and on such terms and conditions as the Board may determine from time to time.

4.2. The Company was originally incorporated with one Ordinary Share in issue.

4.3. On 16 January 2008, the Company allotted and issued 71,528,234 Ordinary Shares for cash to founder shareholders at 0.01 pence per Ordinary Share raising a total of £7,153.

4.4. On 16 January 2008, the Company allotted and issued 214,584,704 Ordinary Shares for cash to certain subscribers at 5 pence per Ordinary Share raising a total of £10,729,235.

4.5. On 21 January 2008, the Company granted share options in respect of 7,152,823 new Ordinary Shares to then Directors and certain founder shareholders. These share options were exercised and 7,152,823 Ordinary Shares were issued in respect of these share options on 6 April 2010, as set out in paragraph 4.11 below.

4.6. On 29 January 2008, the Company allotted and issued 21,899,698 Ordinary Shares to Weatherly International plc as part of the consideration for the acquisition of an option over the Tsumeb Slag Stockpiles Project in the Republic of Namibia.

4.7. On 31 January 2008, the Company granted an option to Weatherly International plc to subscribe for up to 13,705,179 new Ordinary Shares. This option was exercised and 13,705,179 Ordinary Shares were issued in respect of this option on 29 March 2010, as set out in paragraph 4.10 below.

4.8. On 2 June 2008, the Company allotted and issued 22,746,663 Ordinary Shares for cash to certain subscribers at 12 pence per Ordinary Share raising a total of £2,729,157.

4.9. On 20 December 2011, the Company granted warrants in respect of 3,307,593 new Ordinary Shares exercisable at 12 pence per Ordinary Share. These warrants have since lapsed.

4.10. On 29 March 2010, the Company issued 13,705,179 Ordinary Shares for cash on the exercise of an option to purchase Ordinary Shares at 5 pence per Ordinary Share raising a total of £685,259.

4.11. On 6 April 2010, the Company issued 7,152,823 Ordinary Shares for cash on the exercise of share options to purchase Ordinary Shares at 5 pence per Ordinary Share raising a total of £357,641.

4.12. On 20 April 2010, the Company allotted and issued 3,952,084 Ordinary Shares in lieu of salary and fee payments to then directors at a volume weighted average price of 5.089 pence per Ordinary Share.

4.13. On 27 May 2011, the Company allotted 4,618,173 Ordinary Shares in lieu of salary and fee payments to then directors at a volume weighted average price of 2.8113 pence per Ordinary Share. 2,384,200 of these Ordinary Shares were issued on 7 June 2011 and the remaining 2,233,973 Ordinary Shares were issued on 9 November 2011.

4.14. On 3 October 2011, the Company allotted and issued 100,000,000 Ordinary Shares for cash to certain subscribers at 2 pence per Ordinary Share raising a total of £2,000,000.

4.15. On 8 December 2011, the Board, by a resolution of directors, resolved to consolidate all of the issued Ordinary Shares of the Company at a ratio of 5 to 1 with the result that the fractional shares be rounded up to the nearest whole share by way of a share consolidation. The additional 35.2 fractional shares required in aggregate to round up each Shareholder's holding of Ordinary Shares to the nearest whole share after giving effect to the share consolidation were allotted and issued by the Company for cash at a price of 7.75 pence per Ordinary Share (being the Closing Price of a share on 1 December 2011 adjusted for the share consolidation) paid by Shellbay Investments Ltd. On behalf of all of the affected Shareholders raising a total of £2.73.

4.16. On 21 December 2011, the Company allotted and issued 32,500,000 Ordinary Shares at a price of 10 pence per Ordinary Share by way of a placing and issued a further 63,314,845 Ordinary Shares, credited as fully paid, to acquire the entire issued share capital of Ferrum.

4.17. On 16 March 2012, the Company issued 71,097,187 Ordinary Shares credited as fully paid to acquire the remaining 34.51% interest in CMC Guernsey Limited not already owned by the Company.

4.18. On 8 June 2012, the Company issued 238,667 Ordinary Shares pursuant to the exercise of certain options.

4.19. On 15 June 2012, the Company issued 10,206,506 Ordinary Shares for cash at a price of 55 pence per Ordinary Share pursuant to a placing.

4.20. On 30 July 2012, the Company issued 18,500,000 Ordinary Shares credited as fully paid to complete the acquisition of a minority interests in one of its subsidiaries.

4.21. On 17 September 2013, the Company issued 939,261 Ordinary Shares at a price of 10p per Ordinary Share upon the exercise of warrants.

4.22. On 5 February 2014, the Company issued 52,797,738 Ordinary Shares at a price of 7 pence per Ordinary Share pursuant to a placing.

4.23. On 12 February 2014, the Company issued 34,843,206 Ordinary Shares at a price of 7 pence per Ordinary Share pursuant to a placing.

4.24. On 27 February 2015, the Company issued 4,420,715 Ordinary Shares to then directors and their associated entities in part settlement of outstanding fees.

4.25. On 4 January 2018, the Company issued 7,237,579 Ordinary Shares to directors and former directors and their associated entities in full and final settlement of the arrangements put in place in February 2015 to partially settle reduced fees in Ordinary Shares.

4.26. On 1 May April 2018, the Company issued 135,000,000 Ordinary Shares to Panetta in connection with the Chemerin Acquisition, credited as fully paid.

4.27 On 22 May 2018, the Company issued 200,000 Ordinary Shares credited as fully paid to the Broker in lieu of fees in connection with their appointment as corporate broker to the Company.

4.28. Save as disclosed in paragraphs 4.40 and 8.2 of this *Part XIV – Additional Information* of this document, there are no share options or warrants over Ordinary Shares outstanding at the date of this Document.

4.29. The issued and fully paid up share capital of the Company, as at the date of this document and as it is expected to be at Admission, is as follows:

	As at the date of this document		**Immediately following Admission**	
	Number	**Nominal value/£**	**Number**	**Nominal value/£**
Ordinary Shares issued and fully paid	523,595,417	Nil	523,595,417	Nil

4.30. All Ordinary Shares in the capital of the Company are in registered form.

4.31. The Ordinary Shares will be admitted to a Standard Listing on the Official List and trading on the Main Market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

4.32. The Articles do not contain any limit on the number of Ordinary Shares which the Company may issue.

4.33. The Directors are generally and unconditionally authorised pursuant to Article 4 of the New Articles to exercise all the powers of the Company to issue an unlimited number of shares for an unlimited duration.

4.34. The Directors are authorised and empowered pursuant to Article 9 of the New Articles to issue Ordinary Shares for cash pursuant to the Article 4 authority referred to in paragraph 4.32 above as if Article 9.2 did not apply to any such issue provided that this power should be limited to issues on a *pro rata* basis.

4.35. The Ordinary Shares to be issued pursuant to the exercise of the Scientific Warrants will, on Admission, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of this document.

4.36. Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any its share or loan capital.

4.37. During the period between the incorporation of the Company and Admission, more than 10% of the Company's issued share capital, has been paid for by assets other than cash.

4.38. The Company does not have in issue any shares not representing share capital.

4.39. None of the share capital of the Company is held by or on behalf of the Company.

4.40. Save as set out below the Company does not have any convertible securities, exchangeable securities or securities with warrants currently in issue.

(a) on 5 May 2014 a total 1,000,000 warrants were issued to Panetta. The warrants are exercisable at a price of 40 pence per Ordinary Share and are exercisable at any time up to 25 May 2018. These warrants expired on 25 May 2018;

(b) a total of 26,261,667 share options will be outstanding upon Admission under the Company's unapproved share option plan ("**Unapproved Share Option Plan**") at the current time at an exercise price of 4.5p per ordinary share. None of these options have

yet vested and they vest over a period of 4 years in equal annual instalments. A further 3,216,667 share options remain outstanding under former share option awards all of these share options are exercisable at a price of 7 pence per Ordinary Share at any time up to 14 May 2024, although in accordance with the terms of the relevant plan all of these options will lapse prior to 13 May 2018 as they are hold by former directors and managers no longer engaged by the Company; and

(c) save in respect of the share options and warrants set out, there are no acquisition rights and/or obligations over the Company's unissued share capital and the Company has not given any undertaking to increase its share capital.

4.40. Save as disclosed in this document:

(a) no share or loan capital of the Company (or any of its subsidiaries) is under option or is the subject of an agreement, conditional or unconditional, to be put under option and there is no current intention to issue any Ordinary Shares; and

(b) there are no arrangements currently in force for involving the employees in the capital of the Company other than the Unapproved Share Option Plan.

4.41. None of the Directors nor members of their families have a related financial product referenced to the Ordinary Shares.

4.42. The Ordinary Shares have the ISIN: GG00BD3FV870.

4.43. The Ordinary Shares are in registered form and, following Admission, will be capable of being held in uncertificated form, enabled through CREST. Definitive share certificates for Shareholders not settling through CREST are planned to be dispatched in the week commencing 16 July 2018. No temporary documents of title will be issued.

5. Memorandum of Incorporation

Under the Company's new memorandum of incorporation which were adopted on 9 March 2018, the Company has unlimited objects and there are no restrictions on these objects contained in the memorandum of incorporation of the Company.

6. Articles of Incorporation

The New Articles adopted on 9 March 2018 contain provisions, among others, to the following effect:

6.1. *Voting rights*

Subject to any special rights or restrictions as to voting upon any shares may for the time being be held, on a show of hands every member who is present in person or by proxy shall have one vote. On a poll every member present in person or by proxy shall have one vote for every share held by him. A proxy need not be a member of the Company.

A member of the Company shall not be entitled, in respect of any shares held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid, or where such shareholder is in default of the provisions in the articles requiring disclosure of ownership of shares and the Company has served a direction notice on such shareholder advising him that such shares may not be voted.

6.2. *Variation of rights*

All or any of the rights, privileges or conditions attached to any class of shares in issue may only be varied with the consent in writing of the holders of 75 per cent. in value of the issued shares of that class (excluding treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. A quorum for the separate class meeting is two persons (in person or by proxy) holding one-third of the voting rights of the shares of that class or group.

6.3. *Alteration of capital*

The Company may by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

(b) sub-divide all or any of its shares into shares of a smaller amount than is fixed by the Company's memorandum or articles of incorporation or by ordinary resolution;

(c) cancel any shares which, at the date of passing the resolution have not been taken up or agreed to be taken up;

(d) redesignate the whole, or any particular class, of its shares into shares of another class;

e) covert all or any of its shares into shares of a nominal amount of a different currency, at the exchange rate; and

(f) where its shares were expressed in a particular currency, denominate or redenominate it.

6.4. *Transfer of shares*

A member may transfer all or any of his shares (i) in the case of certificated shares by transfer in writing in any usual or common form or in any other form acceptable to the Directors; and (ii) in the case of uncertificated shares, in the manner provided for in the rules and procedures of the operator of the relevant system and in accordance with and subject to the CREST Regulations.

The instrument of transfer of a certified share shall be signed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee.

The Board may, in its absolute discretion and without assigning any reason, decline to register any transfer of certificated share or uncertified shares unless it is:

(a) in respect of a share which is fully paid up;

(b) in respect of a share in which the Company has no lien;.

(c) in respect of only one class of share;

(d) in favour of a single transferee or not more than four joint transferees;

(e) duly stamped (if so required); and

(f) delivered for registration to the registered office of the Company (or such other place as the Board may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the Main Market of the London Stock Exchange on the grounds that they are partly paid shares in circumstances where that refusal would prevent dealings in any such shares from taking place on an open and proper basis.

6.5. *Dividends and Distributions*

(a) Subject to the Guernsey Companies Law, the Directors may authorise dividends and distributions to be paid to Shareholders. If any share is issued on terms providing that it shall rank for dividend or distribution as from a particular date, such share shall rank for dividend or distribution accordingly.

(b) The Directors may direct that any dividend or distribution shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares, debentures, or other securities of any other company.

(c) No dividend or distribution payable shall bear interest against the Company.

(d) A transfer of shares shall not pass the right to any dividend or distribution declared thereon before the registration of the transfer.

(e) All dividends or distribution unclaimed for a period of one year from the date on which such dividend or distribution was declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

(f) All dividends or distribution unclaimed for a period of six years from the date on which such dividend or distribution was declared shall, if the Directors so resolve, be forfeited and shall revert to the Company.

(g) Subject to the Guernsey Companies Law or in the terms of issue of any share in the Company, for the purposes of making any distribution or paying any dividend, the Directors may determine that those persons who are entered on the register of members at the close of business on a day determined by the Directors shall be the persons who are entitled to receive such dividends or distributions.

(h) Payments of dividends or distributions may be made by electronic transfer in such manner as agreed between the member and the Company or by cheque or warrant.

6.6. *Disclosure of Ownership*

The Directors may by notice in writing require a member to disclose to the Company the identity of any person other than the member who has, or has had at any time during the three years immediately preceding the date on which the notice is issued, any interest (whether direct or indirect) in the shares held by the member.

If a member, or any other person appearing to be interested in shares held by that member, has been issued with such a notice and has failed in relation to any shares (the "**Default Interests**") to give the Company the information thereby required within the prescribed period from the service of the notice, the Directors may in their discretion serve a direction notice on such member which may direct that:

(a) the member shall not be entitled in respect of the Default Interests to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(b) where the Default Interests represent at least 0.25 per cent of the number of shares in issue of the class concerned:

i. any dividend, distribution or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it; and

ii. no transfer of the Default Interests held by the member shall be registered unless (i) the member is not himself in default as regards supplying the information requested; and (ii) the member proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

6.7. *Requirement to disclose interests*

Each member shall be under an obligation to comply with the disclosure and notification requirements set out in Chapter 5 of the DTRs. If the Company determines that a member (the "**Defaulting Member**") has not complied with the provisions of Chapter 5 of the DTRs with respect to some or all of such shares held by such member (the "**Default Shares**"), the Company shall have the right by delivery of notice to the Defaulting Member (a "**Default Notice**") to:

(a) suspend the right of such Defaulting Member to vote on the Default Shares in person or by proxy at any meeting of the Company; and/or

(b) (i) withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares, (ii) render ineffective any election to receive shares of the Company instead of cash in respect of any dividend or part thereof, and/or (iii) prohibit the transfer of any shares of the Company held by the Defaulting Member except with the consent of the Company.

6.8. *Winding up*

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of Ordinary Shares are entitled to share in any surplus assets pro rata to their holdings of Ordinary Shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Guernsey Companies Law, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether or not the assets shall consist of property of one

kind or shall consist of property of different kinds), those assets to be set at such value as he deems fair. A liquidator may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members as the liquidator shall think fit.

Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation for the transfer or sale, shares, policies or other like interests in such other Company for distribution among the members or may enter into any other arrangement whereby the members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from such company.

6.9. *Issue of shares and share rights*

The Directors may exercise the power of the company for an unlimited duration to issue an unlimited number of shares or grant rights to subscribe for, or convert any security into shares

The Company may issue shares which: (i) are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholders; (ii) confer preferential rights to distribution of capital or income; (iii) do not entitle the holder to voting rights; and (iv) entitle the holder to restricted voting rights. The Directors may issue shares which have a nominal or par value, no par value, in any number they see fit and in fractions of a share. Subject to paragraph 6.2 above, the Company may convert all or any classes of the Company's shares into redeemable shares.

The Directors may makes arrangements on the issue of shares to distinguish between members as to the amounts and the times of payments of calls on their shares and issue shares that provide for the payment of dividends and distributions in differing proportions.

6.10. *Acquisition of own shares*

Subject to the provisions of the Guernsey Companies Law and the rights of holders of any class of shares, the Company may purchase its own shares, including redeemable shares.

6.11. *Pre-emption rights*

Shares issued wholly for cash by the Company must first be offered to existing shareholders, except in limited circumstances set out in the articles of incorporation or unless a special resolution permits otherwise, in proportion to their respective holdings of Ordinary Shares.

6.12. *General meetings*

An annual general meeting of the Company shall be held in each calendar year (provided that no more than fifteen months may elapse between one annual general meeting and the next) at such time and place as may be determined by the Directors.

The Directors may convene a general meeting whenever they think fit. General meetings shall also been convened on a requisition of the members of the Company as provided for by the Guernsey Companies Law or, if the Directors fail to convene a general meeting within twenty one days from the date of such requisition, a meeting may be convened by such requisitionists as provided by the Guernsey Companies Law.

Unless special notice is required in accordance with the Guernsey Companies Law, ten clear days' notice in respect of all general meeting shall be given to all members (other than those who, under the provisions of the articles of incorporation or otherwise, are not entitled to receive notices from the Company).

Every notice shall specify the place, the date and the time of the meeting and the general nature of the business of the meeting. Any general meeting may be held in Guernsey, or elsewhere, as the Directors may from time to time determine.

For the purpose of determining which persons are entitled to attend and vote at any general meeting and how many votes such persons may cast, the Company may specify in the relevant notice of general meeting a time, not more than forty eight hours (excluding any days which are not business days) before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting.

No business shall be transacted unless the requisite quorum is present when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum, save where the Company has only one member.

If within half an hour from the time appointed for the general meeting a quorum is not present, if convened on the requisition of the members the meeting shall be dissolved. In any other case the meeting shall be adjourned to the same day in the next week at the same time and place and no notice of such adjournment need be given. At any such adjourned meeting, those members present in person or by proxy shall be a quorum. If no members are present at the adjourned meeting, the meeting shall be dissolved.

Every question submitted to a general meeting shall be determined in the first instance by a show of hands of the Members present in person or by proxy or by attorney and entitled to vote, but a poll may be demanded by no fewer than five members having the right to vote on the resolution, or one or more of the members present in person or by proxy representing at least ten per cent. of the total voting rights of all of the members having the right to vote on the resolution.

6.13. *Corporate representatives*

Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of ay class of members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

6.14. *Directors*

The business and affairs of the Company shall be managed by, or under the direction or supervision of the Directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company as are not, by the Guernsey Companies Law or by the articles of incorporation, required to be exercised by the Company in a general meeting, subject to the memorandum and articles of incorporation, to the provisions of the Guernsey Companies Law and to such regulations as may be prescribed by the Company by special resolution provided that such regulations are not inconsistent with memorandum and articles of incorporation or the provisions of the Guernsey Companies Law.

Subject to the Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business is two unless otherwise resolved by the Directors. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, or in a transaction or arrangement that has been entered into by the Company, must declare the nature and extent of his interest to the Directors. The declaration must be made at a meeting of the Board, or by written notice, or by general notice, in accordance with the Guernsey Companies Law and the Company's articles of incorporation.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Subject to the provisions of the Guernsey Companies Law and provided the Director has disclosed his interest to the other Directors, a Director notwithstanding his office may:

(a) be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;

(b) act by himself or through his firm in a professional capacity for the Company be entitled to remuneration as if he were not a director;

(c) be a Director or officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the Company has entered into any transaction with or is interested in; and

(d) not by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to a maximum and the minimum shall be one. A person must not be appointed as a Director unless he has consented in writing and submitted his declaration that he is not ineligible to act as a Director under the Guernsey Companies Law. A Director need not be a Shareholder but shall be entitled to receive notice of and attend all general meetings of the Company.

No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless not less than three nor more than 21 days before the date appointed for the meeting there shall have been left a the Company office a notice in writing signed by a Shareholder, his intention to propose such a person for election (this must be accompanied by that persons willingness to be elected and their signed declaration).

The Directors of the Company shall be paid such remuneration (by way of fee) for their services as may be determined by the Directors in their absolute discretion. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company.

Subject to the provisions of the Guernsey Companies Law every Director shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company (including any other company which is its holding company or in which the Company has any direct or indirect interest in) against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and /or discharge of their duties or exercise or purported exercise of their powers in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company or subsidiary undertaking.

Any Director may at any time by writing appoint any person to be his alternate Director any may in like manner at any time terminate such appointment.

(a) The office of Director shall, *ipso facto*, be vacated if:

(b) he resigns his office by writing under his hand and it is deposited at the Company's office and the Company may agree to accept this at a later date than specified;

(c) he shall have absented himself from meetings of the Directors for six months in succession and all the other Directors have resolved that he should vacate his office;

(d) he becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or has his affairs declared *en désastre*;

(e) he dies;

(f) he becomes ineligible to act as a Director under the Guernsey Companies Law;

(g) if he is removed by resolution of the Directors in writing signed by all his co-Directors (being not less than two in number); or

(h) if the Company shall be ordinary resolution declare that he shall cease to be a Director.

6.15. *Indemnity*

The Directors (including any alternate Director), secretary and other officer or employee for the time being of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Guernsey Companies Law from and against all actions, costs, charges, losses, damages and expenses in respect of which they may lawfully be indemnified

which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted, in or about the execution of their duty or supposed duty or in relation thereto.

7 Shareholder rights under Guernsey law

The following is a summary of the rights of Shareholders under the Companies Law and other applicable laws in Guernsey. Prospective shareholders are advised that this is not a complete statement of the rights of Shareholders under applicable law in Guernsey or under the Articles.

7.1 *Company alterations*

Under the Guernsey Companies Law, it is possible for a Guernsey company to merge with another Guernsey company or an overseas company with the approval by a special resolution of members, provided that there is a short form amalgamation process for amalgamations between a company and its wholly owned subsidiary or between two or more wholly owned subsidiaries of the same company which does not require a special resolution of the members of each company.

Under the Guernsey Companies Law, a compromise or arrangement is permitted between the company and its creditors or shareholders, or any class thereof, whether for the purpose of facilitating the company's reconstruction or its merger with another company, or otherwise. An application must be made to court which court will then order a meeting of the company's creditors or shareholders. It is necessary for 75 per cent. in value of the creditors or 75 per cent. of the voting rights of the shareholders, or class thereof, as the case may be, to agree to the compromise or arrangement and if such compromise or arrangement is sanctioned by the court, it will be binding on the creditors or shareholders, or class thereof, as appropriate.

The Guernsey Companies Law also requires the approval of the shareholders by special resolution for the removal of a company from the Guernsey Register of Companies for the purpose of becoming registered as a company under the law of a district, territory or place outside Guernsey.

Under the Guernsey Companies Law, amendments to a company's articles of incorporation so permitted may be authorised by way of a special resolution of the company's shareholders (provided that certain provisions within a company's articles can be embedded with a higher voting threshold required for change).

7.2 *Rights of dissent and appraisal*

The Guernsey Companies Law contains rights of dissent (the granting of which is discretionary on the part of the court), which are applicable where the company resolves to:

(a) amalgamate with another corporation (other than vertical or horizontal short form amalgamations);

(b) transfer of registration of a corporation into a jurisdiction; or

(c) carry out a takeover transaction.

7.3 *Oppression remedy*

Under the Guernsey Companies Law, a shareholder can apply to the court for an order providing relief on the ground that the company's affairs are being or have been conducted in a manner which is unfairly prejudicial to any of its members.

7.4 *Shareholder derivative actions*

The laws of Guernsey permit derivative actions to be brought by a shareholder, or such person as the court directs who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. Under the laws of Guernsey, the complainant must obtain permission of the court to commence a derivative action.

7.5 *Sale of undertaking*

The Companies Law does not contain provisions in relation to shareholder authority for the sale of a company's undertaking and, accordingly, the sale, lease or exchange of all or substantially all the property of the company will be governed by the articles of incorporation of a company.

7.6 *Unfair prejudice*

A member of a company may apply to the court on the ground that the affairs of the company are conducted in a manner that is unfairly prejudicial to the interests of members generally or of some part of its members (including at least himself), or an actual or proposed act or omission of the company is or would be so prejudicial.

If the court is satisfied that an application is well founded it may make such orders as it sees fit, which may include without limitation: (a) requiring the company to refrain from doing or continuing to do an act, or require it to do any act which the applicant has complained it has omitted to do; or (b) providing for the purchase of shares of any member of the company by other members of the company or by the company itself (and the reduction of the company's capital accordingly).

8. Interests of Directors and Senior Management

8.1. Save as disclosed below, the Directors and Senior Management have not and nor have any member of their immediate families at the date of this document or will have on Admission any interests in the Ordinary Shares of the Company:

Name	Number of Ordinary Shares beneficially held at present	Percentage of issued share capital beneficially held at present	Number of Ordinary Shares held at Admission	Percentage of issued share capital held at Admission
Willy Simon	307,100	0.08%	307,100	0.06%
Dr. Kunwar Shailubhai	—	—	—	—
Leopoldo Zambeletti	—	—	—	—
Tiziano Lazzaretti	—	—	—	—

8.2. The Directors and Senior Management also hold the following share options to subscribe for Ordinary Shares:

Name	No. of share options	Date of grant	Exercise Price	Expiry Date	Vesting Conditions
Dr. Kunwar Shailubhai	16,500,000	6 July 2018	4.5p	6 July 2025	Vest in 4 equal tranches annually on date of grant
Willy Simon	2,000,000	6 July 2018	4.5p	6 July 2025	Vest in 4 equal tranches annually on date of grant
Leopoldo Zambeletti	3,500,000	6 July 2018	4.5p	6 July 2025	Vest in 4 equal tranches annually on date of grant
Tiziano Lazzaretti	1,000,000	6 July 2018	4.5p	6 July 2025	Vest in 4 equal tranches annually on date of grant

8.3. Save as disclosed above, and with regards to share options in paragraph 8.2 of this *Part XIV – Additional Information* of this document, none of the Directors, Senior Management nor any member of his immediate family or any person connected with him holds or is beneficially or non-beneficially interested directly or indirectly, in any shares or share options to subscribe for, or securities convertible into, shares of the Company.

8.4. In respect of the Directors and Senior Management, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

8.5. There are no family relationships between any Directors or Senior Management.

8.6. There are no arrangements or understandings with major Shareholders, customers, suppliers or others, pursuant to which any Directors were selected to be member(s) of the Board or any Senior Management were appointed to their roles.

8.7. There are no outstanding loans granted by the Company to the Directors or Senior Management, or any guarantees provided by the Company for the benefit of the Directors or Senior Management.

8.8. In respect of the Directors are Senior Management, none has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

8.9. The terms of the Directors and Senior Management service arrangements are summarised below:

(a) *Willy Simon*

Mr. Simon and the Company are parties to a service agreement dated 9 March 2018 (the "**Service Agreement**") pursuant to which Mr. Simon was appointed as Executive Chairman of the Company with effect from 9 January 2018. Mr. Simon's employment is based on an average of 25 hours' work per week. The Service Agreement was for an initial term of 12 months. Conditional upon Admission, the Service Agreement will be extended to be on a rolling 12 month basis. The Service Agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the Service Agreement by Mr. Simon and, where such breach is capable of remedy, Mr. Simon fails to remedy the breach within 30 days of notice provided by the Board or where Mr. Simon ceases to be a Director for any reason. The basic annual salary payable to Mr. Simon is £30,000 per annum settled on a quarterly basis and reviewed annually (without any obligation to increase the service). In addition, Mr. Simon is entitled to a bonus of £20,000, subject to Admission. The Service Agreement contains restrictive covenants for a period of 12 months following termination of his employment.

(b) *Dr. Kunwar Shailubhai*

Dr. Shailubhai and the Company are parties to a letter of appointment 9 March 2018 (the "**Shailubhai Letter of Appointment**"), whereby Dr. Shailubhai was appointed as non-executive Director. The Shailubhai Letter of Appointment may be terminated by either party serving at least three months' written notice on the other. The Shailubhai Letter of Appointment contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the Shailubhai Letter of Appointment by Dr. Shailubhai and, where such breach is capable of remedy, Dr. Shailubhai fails to remedy the breach within 30 days of notice provided by the Board or where Dr. Shailubhai ceases to be a Director for any reason. The basic annual fee payable to Dr. Shailubhai is £30,000 per annum to be settled on a quarterly basis and reviewed annually (without any obligation to increase the same).

(c) *Leopoldo Zambeletti*

Mr. Zambeletti and the Company are parties to a letter of appointment 9 March 2018 (the "**Zambeletti Letter of Appointment**") whereby Mr. Zambeletti was appointed as non-executive Director. The Zambeletti Letter of Appointment may be terminated by either party serving at least three months' written notice on the other. The Zambeletti Letter of Appointment contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the Zambeletti Letter of Appointment by Mr. Zambeletti and, where such breach is capable of remedy, Mr. Zambeletti fails to remedy the breach within 30 days of notice provided by the Board or where Mr. Zambeletti ceases to be a Director for any reason. The basic annual fee payable to Mr. Zambeletti is £30,000 per annum to be reviewed annually (without any obligation to increase the same).

(d) *Tiziano Lazzaretti*

Mr. Lazzaretti and the Company are parties to a consultancy agreement dated 9 March 2018 (the "**Consultancy Agreement**") whereby Mr. Lazzaretti has agreed to act as chief financial officer of the Company. The Consultancy Agreement may be terminated by either party serving at least three months' written notice on the other. The Consultancy Agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the Consultancy Agreement and, where such breach is capable of remedy, the party in breach fails to remedy the breach within 30 days of

notice provided by the Board. The basic annual fee payable to Mr. Lazzaretti is £24,000 per annum to be reviewed upon Admission and annually thereafter (without any obligation to increase the same).

8.10. Save as set out in paragraph 8.9 of this *Part XIV – Additional Information* of this document there are no service contracts or consultancy agreements between any of the Directors or Senior Management and the Company or any of its subsidiaries and no such contract has been entered into or amended or replaced within the six months preceding the date of this document and no such contracts are proposed.

8.11. Save as set out in paragraph 8.1 of this *Part XIV – Additional Information* of this document, the Directors and Senior Management receive no Ordinary Shares or share options over Ordinary Shares in lieu of remuneration or as any form of compensation.

8.12. Other than as disclosed in this paragraph 8.8 of this *Part XIV – Additional Information* of this document, the Company is not party to any service contract with any of the Directors or Senior Management which provides for benefits on the termination of any such contract.

8.13. None of the Directors or Senior Management has any accrued pension or retirement benefits. No other material benefits accrue to the Directors and Senior Management in connection with their appointment.

8.14. There is no arrangement under which any Director has waived or agreed to waive future emoluments.

8.15. In the year ended 31 March 2017, the total aggregate remuneration paid, and benefits-in-kind granted, to the Directors and Senior Management was £31,573. The amounts payable to the Directors and Senior Management by the Company under the arrangements in force at the date of this document in respect of the year ended 31 March 2018 are estimated to be £13,732 (excluding any discretionary payments which may be made under these arrangements).

8.16. The Directors and Senior Management have not held any directorships of any company (other than companies in the Company and companies which are subsidiaries of companies of which the Director is or was also a director) or partnerships within the last five years, except as set forth below:

Name	Current	Past
Willy Simon	A.I.A Ltd Tiziana Life Sciences plc Bever Holding N.V. Ducat Commodities B.V.	Velox3 Plc (formerly 24/7 Gaming Group Holdings plc) 24/7 Gaming Group N.V. A.I.A BV Netherlands Playlogic Entertainment Inc Monldee Finance B.V.
Dr. Kunwar Shailubhai	Gensignia Life Sciences Inc Tiziana Life Sciences plc	—
Leopoldo Zambeletti	Faron Pharmaceuticals OY Barts Charity Espalter Ibiza Sociedad Limitada Nogra Pharma Qardio Europe Ltd Summit Therapeutics Zambeletti Limited Powis Gardens Limited	Advanced Accelerator Applications SA
Tiziano Lazzaretti	—	—

8.17. Save as disclosed in this paragraph below, none of the Directors or Senior Management:

(a) has received any convictions in relation to fraudulent offences at any time in the previous five years;

(b) has been declared bankrupt or entered into any individual voluntary arrangement at any time in the previous five years;

(c) has, at any time in the previous five years, been a director with an executive function of any company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;

(d) has, at any time in the previous five years, been a partner in a partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

(e) has, at any time in the previous five years, had any of his assets the subject of any receivership or has been a partner of a partnership at the time of, or within 12 months preceding, any assets thereof being the subject of a receivership; or

(f) has, at any time in the previous five years, been subject to any public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or has ever been disqualified by a court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

9. Unapproved Share Option Plan

The main features of the Unapproved Share Option Plan are summarised below.

Eligibility

All executive directors and employees of the Company and any of its subsidiaries are eligible to participate in the Unapproved Share Option Plan. The Remuneration Committee selects the individuals to whom share options are to be granted from time to time.

Grant of options

Options may be granted at such time or times as the Remuneration Committee (or the Board, excluding any interested Director, until a Remuneration Committee is formally established) determines.

Exercise price and adjustments to options

While the Ordinary Shares are admitted to trading on the Official List, the exercise price per Ordinary Share may not be less than the average of the middle market quotations for an Ordinary Share for the five dealing days immediately prior to the date of grant. While the Ordinary Shares are not admitted to trading on AIM, the exercise price will be the amount specified by the Remuneration Committee. If the Ordinary Shares are newly issued the exercise price may not, in any event, be less than the nominal value of an Ordinary Share. In the event of any variation in the share capital of the Company the exercise price and/or the number of Ordinary Shares comprised in each option may be adjusted as the Remuneration Committee determines. No adjustment may be made which will reduce the exercise price below the nominal value of an Ordinary Share.

Rights and restrictions

An option granted under the Unapproved Share Option Plan is not transferable. The option certificate will specify when the option will lapse and such date may not be later than the tenth anniversary of its date of grant. Except in the circumstances referred to below, an option will only be exercisable on or after the date which is three years after the date of grant.

If the participant ceases to be employed by the Company by reason of injury, disability, ill-health or redundancy; or because the business or company that employs him is transferred out of the ultimate ownership of the Company, his option may be exercised within six months after such cessation or transfer provided that this limit may be further extended by the Remuneration Committee in the event that any exercise of the options would trigger any requirement upon the holder to make a general offer to shareholders under Rule 9 of the Takeover Code. In the event of the death of a participant, the personal representatives of a participant may exercise his option within six months after the date of death. The extent to which an option may be exercised in these circumstances will be determined by reference to any exercise conditions and time vesting

provisions set out in the option certificate unless the Remuneration Committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

On cessation of employment for any other reason (or when a participant serves or has been served with, notice of termination of such employment), the option will lapse unless the Remuneration Committee exercises its discretion to allow the exercise of the option for a period not exceeding 6 months from the date of such cessation or notice. In such circumstances and where exercise is permitted, the extent to which an option may be exercised will be determined by reference to any exercise conditions and time vesting provisions set out in the option certificate unless the Remuneration Committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

Corporate events

Options, to the extent not already exercisable, will become exercisable immediately prior to a change in control of the Company, in the event of a takeover of the Company, in the event that an offeror becomes entitled or bound to acquire Ordinary Shares or in the event that the court sanctions a compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company. In such event, all share options may be exercised for a limited period and will lapse to the extent not exercised. Options, to the extent not already exercisable, will become exercisable in the event that the Company is proposed to be voluntarily wound up and all share options may be exercised within a limited period in connection with the winding up, failing which they will lapse. In such circumstances and where exercise is permitted, the extent to which an option may be exercised will be determined by reference to any exercise conditions set out in the option certificate unless the Remuneration Committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

Performance conditions

The exercise of share options may be subject to the satisfaction of such performance conditions, if any, as may be specified and subsequently varied and/or waived by the Remuneration Committee.

Issuance of Ordinary Shares

The Ordinary Shares issued upon the exercise of share options granted under the Unapproved Share Option Plan will rank *pari passu* with the Company's issued Ordinary Shares on the date of exercise, save as regards any rights arising by reference to a record date prior to the date of such exercise.

Plan limit

Options may not be granted under the Unapproved Share Option Plan if such grant would result in the total number of ''Dilutive Shares'' exceeding 15% of the Company's issued share capital from time to time. ''Dilutive Shares'' means, on any date, all shares of the Company which (a) have been issued, or transferred out of treasury, on the exercise of share options granted, or in satisfaction of any other awards made, under any share incentive scheme (including the Unapproved Share Option Plan) in the shorter of the five years ending on (and including) that date and the period since Admission; and (b) remain capable of issue, or transfer out of treasury, under any subsisting share options granted by the Company.

Alternative settlement on exercise

Instead of delivering the number of Ordinary Shares specified in the exercise notice, the Remuneration Committee may make a cash payment with the option holder's consent or deliver Ordinary Shares equal to the value of the Ordinary Shares over which the option is exercised less the relevant exercise price, or may deliver a combination of the two.

Alteration

The Remuneration Committee may alter the Unapproved Share Option Plan except that (apart from minor amendments to benefit the administration of the Share Option Plan, to correct typographical or other errors, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company) no alteration to the advantage of participants or to the Unapproved Share Option Plan limit described above can be made without the prior approval of Shareholders in general meeting.

No amendment may have a materially adverse effect on share options granted before the amendment without the relevant optionholder's consent.

Termination and Plan period

The Remuneration Committee may terminate or suspend the operation of the Unapproved Share Option Plan at any time, whereupon no further share options shall be granted but in all other respects the provisions of the Unapproved Share Option Plan shall remain in force. In any event, no share options may be granted after the date which is five years after the date the Unapproved Share Option Plan is adopted.

The total number of share options outstanding under the Unapproved Share Option Plan are set out in paragraph 8.2 above.

10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since incorporation and are or may be material:

10.1. The Scientific Warrants, the terms of which are set out in *Part XII – Terms of the Scientific Warrants* of this document.

10.2. *Relationship Agreement*

The Company has entered into a relationship agreement with Panetta dated 6 July 2018 (the "**Relationship Agreement**"). The purpose of the Relationship Agreement is to ensure that the Company operates independently of Panetta. The Relationship Agreement provides that all transactions and dealings between the Company and Panetta will take place on arm's length commercial terms and shall be subject to the approval of the Independent Directors. Panetta agrees that the Board shall comprise at least two Independent Directors at all times and Panetta will not exercise its voting rights to remove or replace any Independent Director. Panetta also undertakes that it will not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules or the Disclosure Guidance and Transparency Rules nor propose any Shareholder resolution that might be intended to circumvent the proper application of the Listing Rules.

10.3. *Chemerin Acquisition Agreement*

The Company and Panetta entered into the Chemerin Acquisition Agreement on 1 May 2018.

The terms of the Chemerin Acquisition Agreement provide for the assignment by Panetta to the Company of a licence from On Target Therapeutics and a sub-licence from Tufts Medical Center Inc. of the right to exploit all of the intellectual property relating to rights claimed on patent WO2017014605, being claims in composition of matter and methodology for treating, *inter alia*, ocular inflammation, DED and ocular neuropathic pain with Chemerin or a fragment of analog thereof and a lipid entity linked to the Chemerin or fragment or analog thereof. The terms of the assigned licence and sub-licence give the Company full control over the preparation, filing and prosecution of all patent applications and full control over the research, development and commercialisation of the licensed intellectual property.

The licence is subject to certain development milestone payments being:

1. US$300,000 on first patient enrolled in a Phase I clinical trial;
2. US$600,000 on first patient enrolled on a Phase II clinical trial;
3. US$1,500,000 on first patient enrolled in a Phase III clinical trial; and
4. US$2,500,000 on first commercial sale of a licensed product.

The licence is also subject to the payment of sales milestones as follows:

1. US$2m on first achievement of annual net sales of US$50,000,000;
2. US$4m on first achievement of annual net sales of US$100,000,000;
3. US$6m on first achievement of annual net sales of US$250,000,000;
4. US$10m on first achievement of annual net sales of US$500,000,000; and
5. US$15m on first achievement of annual net sales of US$1,000,000,000.

The above payments equate to low and declining single digit percentage royalties on net sales.

The licence was also subject to a US$375,000 upfront fees which has been paid by Panetta (and forms part of the US$450,000 paid to Panetta as consideration to discharge Panetta's costs to date in pursuing the project).

The consideration for the assignment of the licence is the payment of US$450,000 to Panetta (to reimburse the costs of Panetta in developing the project to date), the issue of 135,000,000 Ordinary Shares to Panetta credited as fully paid and the issue of the Scientific Warrants to Inukshuk. The Acquisition Agreement contains customary warranties as to the validity of the intellectual property in favour of the Company and further assurance provisions to ensure that the Company becomes the full beneficiary of all of the assigned rights.

10.4. *BAM-8 Licence Agreement*

On 1 May 2018, the Company entered into a licence agreement with Tufts Medical Center Inc. relating to intellectual property and proprietary technology for the use of lipidated BAM peptides in the treatment of neuropathic pain. The licence comprises an exclusive licence to all patents (pending and issued), inventions (including future patent filings on lipidated BAM molecules, know-how and proprietary information controlled by Tufts Medical Center Inc. The licence requires an upfront licence fee of US$15,000 (£11,000), which has been paid by the Company and annual maintenance fees of US$15,000 (£11,000) commencing on the first anniversary of the agreement. The agreement also provides for further development and sales milestone payments and royalties, which are described in more detail in paragraph 10.4 of *Part XIV – Additional Information* of this document.

The BAM-8 agreement also provides for further development and sales milestones as follows:

(a) *Development milestone payments*

1. US$75,000 on enrolment of first patient in a Phase I human clinical trial;
2. US$25,000 on enrolment of first patient in a Phase II human clinical trial;
3. US$250,000 on enrolment of first patient in a Phase III human clinical trial; and
4. US$1,000,000 on first commercial sale of a licenced product.

(b) *Sales milestone payments*

1. US$1,000,000 on first achievement of US$50,000,00;
2. US$2,000,000 on first achievement of US$100,000,000 in annual net sales;
3. US$3,000,000 on first achievement of US$250,000,000 in annual net sales;
4. US$5,000,000 on first achievement of US$500,000,000 in annual net sales; and
5. US$7,500,000 on first achievement of US$1,000,000,000 in annual net sales.

The Company also agrees to pay On Target Therapeutics a royalty of 2% on annual net sales of any licenced product and 12.5% of non-royalty sub-licence revenues for the life of any underlying patents prosecuted pursuant to the licence agreement.

10.5. *Working Capital Loan Agreement*

The Company entered into a working capital loan agreement with West African Minerals Limited (formerly Ferrum Resources Limited) on 9 March 2018 (the "**Working Capital Loan Agreement**"). This agreement provided that the Company would advance a new working capital facility of up to US$400,000 to West African Minerals Limited (formerly a wholly-owned subsidiary of the Company) to cover its interim working capital needs. The agreement also provided that US$3,600,000, being the written down balance of all historic loans made by the Company in West African Minerals Limited (and not previously written off under the deed of release described in paragraph 10.6), together with the new working capital facility, would become immediately repayable on written demand should West African Minerals Limited become subject to a charge of control transaction, dispose of any significant asset or raise new capital in a sum of not less than US$6m.

10.6. *Deed of Release*

The Company entered into a deed of release with West African Minerals Limited (formerly Ferrum Keia Resources Limited and formerly a wholly-owned subsidiary of the Company on 9 March 2018 (the "**Deed of Release**"). The terms of the Deed of Release provided that all existing inter-company loans between the two entities be written off, save for the sum of US$3,600,000 owing from West African Minerals Limited to the Company, the repayment terms of which are to be governed by the working Capital Loan Agreement.

10.7. *Deed of Guarantee*

The Company, CMC Guernsey Limited ("**CMC**") and Compagnie Miniere du Cameroun SA ("**CMDC**") entered into a deed of guarantee dated 9 March 2018 (the "**Deed of Guarantee**"). Pursuant to the terms of the Deed of Guarantee. CMC and CMDC guaranteed all the obligations of West African Minerals Limited to the Company under the Working Capital Loan Agreement.

10.8 *Broker Engagement Letter*

On 21 May 2018, the Company entered into an engagement letter (the "**Broker Engagement Letter**") with the Broker pursuant to which the Broker agreed to act as corporate broker to the Company.

The agreement provides for the Broker to receive a corporate finance fee of £50,000, of which £2,500 was satisfied through the issue to the Broker of 200,000 Ordinary Shares credited as fully paid.

The Broker receives a retainer fee of £40,000 per annum under the Broker Engagement Letter, increasing annually in line with the retail price index. The Broker Engagement Letter can be terminated by either party on 90 days' notice in writing after the first anniversary of Admission.

The Broker Engagement Letter contains a customary indemnity in favour of the Broker.

10.9 *Collaboration Agreement*

On 30 May 2018, the Company entered into a collaboration agreement with On Target Therapeutics (the "**Collaboration Agreement**").

The Collaboration Agreement provides that On Target Therapeutics will make available the services of the Scientific Consultants to develop the initial phases of the Chemerin Project in line with the development plan outlined in paragraph 6 of *Part VII – Background to the Acquisitions and Admission* of this document.

The Collaboration Agreement provides for the initial research to be carried out under the supervision of the Scientific Consultants and provides for an initial six month budget of US$400,000 (£300,000) to complete phases I and II of the research development plan.

11. Related party transactions

Save as set out in paragraph 11 of this *Part XIV – Additional Information* of this document or as referred to in the financial statements referenced in *Part XVII – Historical Financial Information* of this document, there are no related party transactions that were entered into by the Company during the period covered by the financial information referenced in *Part XVII – Historical Financial Information* of this document and up to the date of this document.

12. Employees

The total number of employees (including Directors) employed by the Company as at 11 July 2018 (being the last practicable date prior to publication of this document) was two.

13. Major Shareholders

As at the date of this document and Admission, and in addition to the interests of certain Directors, as set out in paragraph 8 of this *Part XIV – Additional Information* of this document, the Company is aware of the following persons who, directly or indirectly, have or will following Admission have an interest in 5% or more of the Company's issued share capital or voting rights:

Name	Number of Ordinary Shares held as at the date of this document	Percentage of share capital held as at the date of this document	Number of Ordinary Shares held as at Admission	Percentage of share capital held as at Admission
Panetta Partners Limited	116,087,103	29.89%	251,087,103	47.95%
Beaufort Nominees Limited (including the shareholding of Rosy Mining Limited)*	119,997,937	30.89%	119,997,937	22.91%
Regent Mercantile Holdings Limited	32,672,906	8.41%	32,672,906	6.24%
James Mellon	31,912,948	8.22%	31,912,948	6.09%

* The Ordinary Shares held by Beaufort Nominees Limited include the holding of Rosy Mining Limited, which is 35,889,079 Ordinary Shares or 9.24% of the share capital held as at the date of this document and 6.85% of the share capital held as at the date of Admission and would not count as shares in public hands. The remainder of the Ordinary Shares held in Beaufort Nominees Limited, 88,108,858 Ordinary Shares or 21.65% of the share capital held as at the date of this document and 16.06% of the share capital held as at the date of Admission, are held for a variety of independent investors and would count as shares in public hands.

As at 11 July 2018 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

Those interested, directly or indirectly, in 5% or more of the issued Ordinary Shares of the Company (as set out in the table above) do not now, and following Admission, will not, have different voting rights from other holders of Ordinary Shares.

14. Litigation and arbitration proceedings

There have been no governmental, legal or arbitration proceedings and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

15. Working capital

The Company is of the opinion that the working capital available to the Group is sufficient for the present requirements of the Group, that is, for at least the next 12 months following the date of this document.

16. Significant changes

Set out below are details of the significant changes in the financial condition, operating results and trading position of the Group during the three years ended 31 March 2015, 31 March 2016 and 31 March 2017 and for the period since 31 March 2017.

Year ended 31 March 2015

- Total assets declined by 18.9% to £23.0 million (2014: £28.4 million) as a result of impairment recognised in respect of Sierra Leone license permits.
- Cash on hand equated to £4.4 million (2014: £7.1 million).
- Operational expenses continued to be rigorously controlled at all levels.

- During the financial year, the Group reported a total comprehensive loss of £5.7 million (2014: £8.5 million).
- Basic and diluted loss per Ordinary Share has nearly halved at 1.48 pence each (2014: 2.78 pence).
- CIM (NI-43-101 compliant) Inferred Mineral Resource Estimate was of 82.9 Mt at 32.1% Fe at a 25% Fe cut-off grade to a depth of 150m below surface.
- Included in the Inferred Minerals Resource Estimate was a higher grade oxidised cap and near-surface enriched mineralisation of 15.8 Mt at 37.3% Fe at a 25% cut-off grade.
- Mineralisation was intersected along a strike length of approximately 3 km from the surface to a vertical depth of approximately 150m and remains open at depth.
- Positive metallurgical test work reported on 21 October 2014 supported the potential production of a premium grade (69% Fe) concentrate at a favourable mass recovery of approximately 40%.
- A summary environmental and social impact assessment was completed and submitted to the Government of Cameroon for review and approval.

Year ended 31 March 2016

- 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 equated to £3.6 million (2015: £4.4 million).
- Operational expenses continued to be rigorously controlled at all levels.
- During the financial year, the Group reported a total comprehensive loss of £0.7 million (2015: Loss £5.7 million).
- Basic and diluted loss per Ordinary Share at 0.15 pence each for all operations (2015: 1.48 pence).
- The Company undertook internal scoping studies on the development of a local, collaborative steel production to secure future off-take from the Sanaga Project and enable a Cameroon iron ore industry.
- The Ministry of Mines in Cameroon was finalising a lease-area reduction of the Company's surface holdings from 4,117 km^2 to 331 km^2 allowing the Company to retain its resources and discovered iron ore deposits while significantly reducing its required exploration commitments. The Company held four leases as a result instead of five previously and only official confirmation of the block relinquishment is outstanding prior to finalisation of the process.
- The Company continued to evaluate suitable target businesses in the mineral resource sector for acquisition or investment.

Year ended 31 March 2017

- Total assets for the Company decreased by 0.9% to £22.2 million (2016: decreased to £22.4 million) largely due to operational losses of £0.54 million, offset by £0.32 million in gains from translating foreign denominated subsidiaries into Pounds Sterling.
- Cash on hand equated to £3.15 million (2016: £3.57 million).
- Operation expenses continued to be rigorously controlled at all levels.
- During the financial year, the Group reported a total comprehensive loss of £0.22 million (2016: loss £0.69 million).
- Basic and diluted loss per Ordinary Share at 0.14 pence each for all operations (2016: 0.15 pence).
- Royal HaskoningDHV completed the Scoping Study on the Sanaga Project, the results of which indicated a positive economic potential.
- The Ministry of Mines in Cameroon finalised the approval of a lease-area reduction of the Company's surface holdings from 4,117 km2 to 330 km2 (1 km2 extension of the Sanaga Project was requested to follow mineralisation and, potentially, bring the Company's surface holdings to 331 km2).

- The Company continued to evaluate new business proposals that will generate shareholder value.

Period following 31 March 2017

- Total assets decreased to £2.9 million as at 30 September 2017 (31 March 2017: £22.2 million), with a complete impairment of the Sanaga Project assets recognised.
- Cash on hand equates to £2.67 million as at 30 September 2017 (31 March 2017: £3.15 million).
- Operational expenses continue to be rigorously controlled at all levels.
- During the 6 month period to 30 September 2017, the Group reported a total comprehensive loss of £19.3 million (30 September 2016: £0.07 million). Basic and diluted loss per Ordinary Share each increased to 0.05 pence due to impairment charges.
- The Directors have also assessed the recoverability of the US$600,000 (£447,761) loan made to Ferrum as part of the disposal process and concluded that it would be appropriate to make a provision against the recoverability of this loan.
- On 1 May 2018, the Company acquired the Chemerin Project and the BAM-8 Project. These acquisitions will be settled via the issue of 135,000,000 Ordinary Shares credited fully paid at a market price expected to be in the region of 1.5 pence each (providing a fair value for this element of the consideration of £2,025,000) and US$450,000 (£338,350) paid in cash to the vendors, providing a total consideration of £2,363,350 for the Chemerin Project and US$175,000 (£125,000) for the BAM-8 Acquisition as a cash payment to On Target Therapeutics.

17. Dividend policy

The Company does not intend to declare a dividend for the foreseeable future.

18. CREST

18.1. Any shares in the Company may be issued, held, registered, converted, transferred or otherwise dealt with in an uncertificated form in accordance with the CREST Regulations and practices instituted by the operator of the relevant system. Any provisions of the Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:

(a) the holding of shares in uncertificated form;

(b) the transfer of the title of shares by means of relevant system; or

(c) any provision of the CREST Regulations.

18.2. Subject to the CREST Regulations and facilities and requirements of the relevant system, the Board may, in its absolute discretion, determine the manner in which conversion of certificated shares into uncertificated shares may be made.

18.3. The New Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the New Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

19. Auditors

KPMG Audit LLC, a member of the Institute of Chartered Accountants of England and Wales, is the auditor of the Company.

20. General

20.1. The information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20.2. Save as set out in this document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

20.3. There have been no interruptions in the business of the Company, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.

20.4. The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the current financial year.

20.5. Save as disclosed in this document, there have been no payments by the Company to promoters in the two years prior to the date of this document and no fees have been paid in the 12 months preceding the date of this document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.

20.6. The total expenses incurred (or to be incurred) by the Company in connection with Admission not expected to exceed £160,000.

21. Consents

21.1. KPMG Audit LLC is a member firm of the Institute of Chartered Accountants in England and Wales and has given and not withdrawn its consent to the inclusion of the report in Section A of *Part XI – Unaudited Pro Forma Financial Information* of this document in the form and contract in which it appears, and has authorized the contents of its report for the purpose of Rule 5.5.3R(2)(f) of the Prospectus Rules.

21.2. Stockdale Securities Limited has given and not withdrawn its consent to the inclusion of the references herein to its name in the form and context in which it appears.

22. Availability of Documents

22.1. Copies of the following documents may be inspected at the registered office of the Company and at Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until Admission:

(a) the existing memorandum and articles of association of the Company;

(b) the proposed new memorandum and articles of incorporation compliant with Guernsey law, to be adopted upon Migration in place of the existing memorandum and articles of association of the Company;

(c) the consent letters referred to in ''Consents'' in paragraph 21 above;

(d) the report of KPMG Audit LLC, which is set out in Section A of *Part XI – Unaudited Pro Forma Financial Information* of this document;

(e) the material contracts described in paragraph 11 above; and

(f) this document.

22.2. In addition, this document will be published in electronic form and be available on the Company's website at www.okyopharma.com, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

Date: 12 July 2018

PART XV – DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

Acquisitions	the BAM-8 Acquisition and the Chemerin Acquisition.
Admission	admission of the Ordinary Shares to Standard Listing and to trading on the Main Market of the London Stock Exchange becoming effective.
AIM	AIM, a market of the London Stock Exchange.
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time.
Articles	articles of association or articles of incorporation of the Company in force from time to time.
BAM-8 Acquisition	the acquisition of the BAM-8 Project by the Company.
BAM-8 Acquisition Agreement	the agreement dated 1 May 2018 between the Company and Tufts Medical Centre Inc. for an exclusive licence of the intellectual property relating to the BAM-8 Project.
BAM-8 Project	the development of the intellectual property relating to BAM-8 as acquired pursuant to the BAM-8 Acquisition Agreement.
Audit Committee	a committee of the Directors, details of which appear in *Part VII – Background to the Acquisitions and Admission* of this document.
BioVitas	BioVitas Capital Limited.
Broker	Stockdale Securities Limited.
Business Day	Days (not being a Saturday or Sunday) on which the banks are generally open for business in London, UK.
BVI Business Companies Act	BVI Business Companies Act 2004, as amended.
BVIBC	British Virgin Islands Business Company.
certificated or **in certificated form**	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST).
Chemerin Acquisition	the acquisition of the Chemerin Project by the Company.
Chemerin Acquisition Agreement	the agreement between the Company, Panetta for the acquisition of the Chemerin Project, dated 1 May 2018.
Chemerin Project	a licence and sub-licence from On Target Therapeutics of the exclusive right to exploit all of the intellectual property relating to rights claimed on patent WO2017014605, being claims in composition of matter and methodology for treating, *inter alia*, ocular inflammation, DED and ocular neuropathic pain with Chemerin or a fragment of analog thereof and a lipid entity linked to the Chemerin or fragment or analog thereof.
Company Post Investment	the Company as enlarged following completion of the Chemerin Acquisition, the BAM-8 Acquisition and completion of the Disposal.
Company	OKYO Pharma Limited, a company registered and incorporated in Guernsey.
Concert Party Options	the share options to acquire the Ordinary Shares held by the Concert Party.
Concert Party	(1) Panetta; (2) Inukshuk; (3) Tiziano Lazzaretti; (4) Dr. Kunwar Shailubhai; (5) Dr. Alan Kopin; and (6) Dr. Benjamin Harwood.
Confidential Information	the Company's trade secrets, know-how or other proprietary information.

Consideration Shares	135,000,000 Ordinary Shares provided by the Company to Panetta, in addition to cash consideration, in connection with the Chemerin Acquisition.
control	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50%, of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the holding beneficially of more than 50%, of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital), but excluding in the case of each of (i) and (ii) above any such power or holding that arises as a result of the issue of Ordinary Shares by the Company in connection with further acquisitions.
CREST	a paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise then by certificates and transferred otherwise then by written instruments.
CREST Regulations	Uncertificated Securities Regulations 2001 (*SI 2001 No.3755*).
Deed Poll	the deed poll in respect of Depositary Interests dated 14 December 2007 executed by the Depositary in favour of the holder of Depositary Interests from time to time.
Depositary	Computershare Investor Services plc of The Pavilions, Bridgewater Road, Bristol BS13 8AE.
Depositary Interests	depositary interests in respect of Ordinary Shares.
Directors or **Board**	the directors of the Company, whose names appear in *Part VII – Background to the Acquisitions and Admission* of this document, or the board of directors from time to time of the Company, as the context requires, and ''Director'' shall be construed accordingly.
Disclosure Guidance and Transparency Rules or **DTRs**	disclosure guidance and transparency rules of the FCA made in accordance with section 73A(3) of FSMA.
Disposal	the disposal by way of a dividend *in specie* of shares in Ferrum to Shareholders, announced by way of a regulatory information service on 21 December 2017, following which the Company became an AIM Rule 15 cash shell.
EEA	European Economic Area.
EEA States	member states of the EU and the EEA.
EMA	European Medicines Agency.
EU	European Union.
Euroclear	Euroclear UK & Ireland Limited.
Existing Warrants	the 1,000,000 warrants, each entitling the holder to subscribe for one Ordinary Share at a price of 40 pence per Ordinary Share and which expired on 25 May 2018.
FCA	the UK Financial Conduct Authority.
FDA	the US Food and Drug Administration.
Ferrum	Ferrum Resources Limited.
FSMA	the Financial Services and Markets Act 2000.
general meeting	a meeting of the Shareholders or a class of Shareholders (as the context requires).

Guernsey Companies Law	Companies (Guernsey) Law 2008.
IFRS	International Financial Reporting Standards, as adopted in the EU.
Independent Shareholders	existing Shareholders, other than members of the Concert Party.
Inukshuk	Inukshuk Holdings LLC.
ISIN	International Securities Identification Number.
Kopin Laboratory	Dr. Alan Kopin's laboratory at the Sackler School.
Listing Rules	listing rules made by the FCA under section 73A of FSMA.
London Stock Exchange	London Stock Exchange plc.
Main Market	main market for listed securities of the London Stock Exchange.
Market Abuse Regulation	EU Regulation No 596/2014.
Migration	the continuation of the Company out of the British Virgin Islands and migration of the Company into Guernsey which occurred on 3 July 2018.
New Articles	the articles of incorporation of the Company, adopted on 9 March 2018.
Nomination Committee	a committee of the Directors, details of which appear in *Part VII – Background to the Acquisitions and Admission* of this document.
Official List	Official List of the Financial Conduct Authority.
On Target Therapeutics	On Target Therapeutics LLC.
Ordinary Shares	ordinary shares of no par value each in the capital of the Company.
Overseas Shareholders	Shareholders residing in, or subject to, any jurisdiction outside the United Kingdom.
Panetta	Panetta Partners Limited.
Premium Listing	a premium listing under Chapter 6 of the Listing Rules.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or committee to trading.
Prospectus Regulation	Commission Regulation (EC) No. 809/2004.
Prospectus Rules	prospectus rules of the FCA made in accordance with section 73A of FSMA.
Regulation S	Regulation S promulgated under the Securities Act.
Relationship Agreement	the relationship agreement between the Company and Panetta; further details of which are set out in paragraph 11.4 of *Part VIII – Further Information on the Chemerin Project* of this document.
Remuneration Committee	a committee of the Directors, details of which appear in *Part VII – Background to the Acquisitions and Admission* of this document.
Risk and Disclosure Committee	a committee of the Directors, details of which appear in *Part VII – Background to the Acquisitions and Admission* of this document.
Rule 9 Waiver	any future waiver of the obligation to make a general offer under Rule 9 of the Takeover Code which might otherwise arise.

Sanaga Project	the Company's Cameroon licences, comprising mainly the Sanaga iron ore project located near the Port of Douala, Cameroon.
Scientific Consultants	Dr. Alan Kopin and Dr. Benjamin Harwood.
Scientific Warrants	35,000,000 warrants issued in connection with the Chemerin Project each entitling the holder to subscribe for one ordinary share at an exercise price of 4.5p per Ordinary Share subject to the satisfaction of certain clinical milestones, the terms of which are set out in *Part XII – Terms of the Scientific Warrants* of this document.
Scientific Warrant Instrument	the document pursuant to which the Scientific Warrants were constituted, and issued subject to, further details of which are set out in *Part XII – Terms of the Scientific Warrants* of this document.
Scoping Study	a scoping study on the Sanaga Project which had been prepared by Royal HaskoningDHV in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves or JORC Code (2012), the results of which were announced by the Company on 12 May 2017.
Securities Act	the U.S. Securities Act of 1933.
Secondment Agreement	the secondment agreement between the Company and Tiziana, dated 9 March 2018.
SEDOL	Stock Exchange Daily Official List.
Senior Management	the individuals constituting senior management as set out in *Part VII – Background to the Acquisitions and Admission*.
Shareholder	a person who is registered as holders of the Ordinary Shares from time to time.
Standard Listing	a standard listing under Chapter 14 of the Listing Rules.
Takeover Code	City Code on Takeovers and Mergers.
Takeover Panel	United Kingdom Panel on Takeovers and Mergers.
TIDM	Tradeable Instrument Display Mnemonic.
Tiziana	Tiziana Life Sciences plc.
UK or **United Kingdom**	United Kingdom of Great Britain and Northern Ireland.
UK Companies Act	the UK Companies Act 2006.
UK Listing Authority or **UKLA**	FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA.
Unapproved Share Option Plan	the Company's unapproved share option plan, further details of which are set out in *Part XIV – Additional Information* of this document.
uncertificated or **uncertificated form**	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST.
US or **United States**	United States of America.
Vendors	Panetta and certain persons involved in the scientific development of the Chemerin Project, as vendors in the Chemerin Acquisition.

References to a "**company**" in this document shall be construed so as to include any company, corporation and/or other body corporate, wherever and however incorporated or established.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

PART XVI – GLOSSARY

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meaning or usage of these terms.

Acid-Schiff	a staining method used to detect polysaccharides and mucosubstances.
Adverse Event	any untoward medical occurrence associated with the use of a drug in humans whether or not considered drug related.
API	active pharmaceutical ingredient.
BALF	bronchoalveolar lavage fluid.
BAM	Bovine Adrenal Medulla.
BAM-8	an endogenous BAM.
BLA	biologics license application to the FDA.
blephartis	inflammation affecting Meibomian glands.
CCI	chronic constriction injury.
cGMP	current good manufacturing practices.
Chemerin	a chemoattractant protein that acts as a ligand for the G protein-coupled receptor CMKLR1 (also known as ChemR23).
Chemokine	small cytokines secreted by cells.
Chemotaxis	movement of a motile cell or organism, or part of one, in a direction corresponding to a gradient of increasing or decreasing concentration of a particular substance.
CMC	chemistry manufacturing and controls.
CMKLR1	Chemerin chemokine-like receptor 1.
COMP	Committee for Orphan Medicinal Products.
COPD	Chronic Obstructive Pulmonary Disease.
DCP	the Decentralised Procedure for receiving Marketing Approval.
DCs	dendritic cells.
DMSO	dimethyl sulfoxide.
Drug Product	a finished form of therapeutic agent.
Drug Substance	the central active ingredient in a pharmaceutical.
Dry eye disease or **DED**	the condition of having dry eyes, as further defined in *Part VII – Background to the Acquisitions and Admission*.
GC-C	Guanylate Cyclease-C.
GCP	good clinical practice, an international ethical and scientific standard for the design, conduct and record of research involving humans.
GI	gastrointestinal.
GMP	good manufacturing practice in conformity with the relevant regulatory guidelines for the manufacturing of pharmaceuticals.
GPCR	G protein-coupled receptors.
HEK293	human embryonic kidney 293.
ICH	International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use.
in vivo	within the living (typically used when referring testing on whole living organisms or cells).
IND	Investigational new drug application.

IRB	institutional or independent review board.
Keratoconjunctivitis sicca	dry eye disease.
Lipidation	the addition of hydrophobic molecules to a protein or chemical compound.
Lupus	an autoimmune disease in which the body's immune system mistakenly attacks healthy tissue in many parts of the body.
MAA	Marketing authorisation application.
Meibomian glands	a special kind of sebaceous gland at the rim of the eyelids inside the tarsal plate, responsible for the supply of meibum, an oily substance that prevents evaporation of the eye's tear film.
MRE	the Institute of Mineral Resources Engineering.
MRP	mutual recognition procedure.
MTL	membrane-tethered ligand.
Mucus Metaplasia	defined by the appearance of mucous cells in airways where mucous cells were not present, is a consistent pathologic characteristic in the peripheral airways of bronchial asthma.
NDA	new drug application with the FDA.
NICE	National Institute for Health and Care Excellence in the UK.
Nk-cells	natural killer cells, which are a type of lymphocyte and component of innate immune system.
Ocular	of or connected with the eyes or vision.
OVA	ovalbumin.
Parkinson's disease	a long-term degenerative disorder of the central nervous system that mainly affects the motor system.
Phagocytosis	the process by which a cell – often a phagocyte or a protest – engulfs a solid particle to form an internal compartment known as a phagosome.
Pharmacokinetics	the branch of pharmacology concerned with the movement of the drugs within the body.
Pharmacovigilance	the pharmacological science relating to the collection, detection, assessment, monitoring, and prevention of adverse effects with pharmaceutical products.
Phase I/Phase 1 study	first stage of clinical testing in healthy volunteers.
Phase II/Phase 2 study	clinical trials in a small number of patients (usually 20-30) to determine safety and efficacy of a new medicine.
Phase III/Phase 3 study	the final stage of clinical trials prior to seeking regulatory approval, to determine efficacy and safety in a large number of patients (usually several hundred).
Phase IV/Phase 4 study	clinical trials conducted after a drug or device has been approved for consumer sale.
REMS	rapid eye movement sleep.
RP-HPLC	reverse phase – high performance liquid chromatography.
Rosacea	a long-term skin condition that typically affects the face, resulting in redness, pimples, swelling, and small and superficial dilated blood vessels.
RvE1	resolvin E1, a a trihydroxy eicosapentaenoic acid.
Scleroderma	an uncommon condition that results in hard, thickened areas of skin and sometimes problems with internal organs and blood vessels, which is caused by the immune system attacking the

	connective tissue under the skin and around internal organs and blood vessels.
Sjögren's syndrome	a long-term autoimmune disease in which the moisture-producing glands of the body are affected, resulting primarily in the development of a dry mouth and dry eyes.
SmPC	a summary of product characteristics, a legal document approved as part of the MAA that contains the basis of information for healthcare professional on how to use the medicine).

PART XVII – HISTORICAL FINANCIAL INFORMATION

Consolidated Interim Financial Report

For the six month period ended 30 September 2017

Registration number: 1415559

Contents	Page

Management and administration

Directors	Brad Mills *(Non-executive)*	*Resigned 2 June 2017*
	Gerard Holden *(Chairman)*	*Resigned 13 November 2017*
	James Mellon *(Non-executive)*	*Resigned 13 November 2017*
	Willy Simon *(Acting Chairman, Non-executive)*	
	Andrew Gutmann *(Non-executive)*	
	Dr Kunwar Shailubhai *(Non-executive)*	*Appointed 6 July 2017*
Registered office	Craigmuir Chambers Road Town Tortola British Virgin Islands	
Secretary	Denham Eke 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH	
Nominated 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	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW	
Depositary	Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE	
Administrator	Burnbrae Limited 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH	

Financial Highlights

- Total Assets decreased to £2.8 million (31 March 2017: £22.2 million), with a complete impairment of the Sanaga assets recognised during the period.
- Cash on hand equates to £2.67 million (31 March 2017: £3.15 million).
- Operational expenses continue to be rigorously controlled at all levels.
- During the financial period under review, the Group reported a total comprehensive loss of £19.4 million (30 September 2016: £0.07 million).
- Basic and diluted loss per share increased to 0.05pence per share (30 September 2016: 0.030 pence).

Operational Highlights

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

- The Ministry of Mines in Cameroon finalised the approval of a lease-area reduction of WAFM's surface holdings from 4,117 km^2 to 330 km^2 (1 km^2 extension of Sanaga has been requested to follow mineralisation and this may bring WAFM's surface holdings to 331 km^2).

Cash Preservation

- Due to the persisting weak market for iron ore and following the completion of the Sanaga Scoping Study, WAFM has successfully reduced operational and corporate expenditure, preserving its cash position during the period.
- The strategy to reduce expenditure to a bare minimum included significant reduction in the operational team and exploration field activities, 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 to the next financial year end.

Chairman's statement

Dear Shareholders,

Outlook

Following the period end, the Board undertook a review of the strategy for the future development of the Company. Considering the continuing challenging market conditions for junior exploration companies, and the difficulties in finding commercial partners and / or buyers for the Sanaga Project, a decision has been taken not to progress the Sanaga Project any further. The Company will not expend any further funds on the Sanaga Project, other than those that are required to maintain the project licences in good standing, and to preserve value pending any future sale of the Project.

The Board is considering all options in respect of the Company's existing iron interests, including whether to separate the Company's interests by means of an in specie distribution to shareholders or otherwise and seeking investment opportunities in a different sector, and in particular life sciences. The Board is also assessing whether to remain on AIM or seek admission to another recognised market and a further announcement will be made in due course as and when this review has been completed.

Operations in Review

Cash Preservation

WAFM continues to operate with a skeleton staff under a cash preservation budget and has maintained significantly reduced expenditure relating to its lease holding and service providers.

No further monies will be spent directly on the Sanaga Project, further preserving cash reserves. Semester and Annual reporting and other compliance related activities have been kept current, together with renewing the annual licences for the Project areas.

Events Post Period End

On 13 November 2017, Gerard Holden and James Mellon both resigned as Directors of the Company and its subsidiaries. On the same day, Willy Simon was appointed as Acting Chairman.

Results to 30 September 2017

During the financial period under review, the Company reported a loss from operations of £19.26 million (2016: £0.10 million).

The Company also assessed the carrying value of deferred mine costs relating to areas for which licenses were still held for impairment as at 30 September 2017 and considered that the recoverable amount of these assets in light of the decision to cease all active operations and revert to care and maintenance pending disposal is substantially less than the carrying amount and as such, a complete impairment was recognised.

The Company's shareholders' equity at 30 September 2017 stood at £2.64 million (31 March 2017: £22.04 million), reduced by 88% primarily as a result of the full impairment of Sanga costs incurred during the period.

Total costs capitalised to deferred mine exploration costs stood at £0 (31 March 2017: £12.2 million).

Cash stood at £2.67 million at the end of the period (31 March 2017: £3.15 million).

Total number of shares in issue as at the yearend was 381,157,838. No new shares were issued during the period.

Summary

Following the announcement of the revised strategy for the Company, the Board has been seeking out and evaluating various different opportunities. As soon as a promising opportunity has been identified, the Board will evaluate whether existing cash reserves will be sufficient, or if additional sources of funding will be required. Until such time as an agreement or decision is made concerning the future strategy of the Company, cash will be preserved and strictly monitored.

The Board remains positive in identifying an opportunity or opportunities that will generate shareholder value.

Willy Simon
Acting Chairman

18 December 2017

Directors' report

The Directors present their interim report and the unaudited consolidated interim financial statements for West African Minerals Corporation (''WAFM'' or the ''Company'') for the six month period ended 30 September 2017.

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.

On 13 November 2017, it was announced that, due to the continuing challenging iron ore market conditions and difficulties in finding commercial partners, a decision has been made to not progress the Sanaga iron ore project any further. No further funds will be expended on the project, other than to maintain the current licences in good standing and to preserve value pending any prospective sale of the assets.

Following this, the Board is currently in the process of reviewing the strategy for the future development of the Company.

Results and transfers to reserves

The results and transfers to reserves for the period are set out on pages 6 to 9.

The Group made a total comprehensive loss for the period after taxation of £19.4 million (30 September 2016: £68,659).

Dividend

The Directors do not propose the payment of a dividend for the period (2016: £nil).

Directors

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

Gerard Holden	(Resigned 13 November 2017)
Bradford Mills*	(Resigned 2 June 2017)
Andrew Gutmann*	
Willy Simon*	
James Mellon*	(Resigned 13 November 2017)
Dr Kunwar Shailubhai*	(Appointed 6 July 2017)

* *non-executive*

By order of the Board

Willy Simon
Director

18 December 2017

Craigmuir Chambers
Road Town
Tortola
British Virgin Islands

Unaudited consolidated statement of comprehensive income

for the six-month period ended 30 September 2017

	Notes	Period ended 30 September 2017 (unaudited) £	Period ended 30 September 2016 (unaudited) £
Continuing operations			
Income		**—**	—
Operating expenses			
Directors' fees	*17*	**(13,732)**	(15,118)
Salaries and wages		**(5,095)**	(4,743)
Consultants' fees		**—**	(3,200)
Other professional fees		**(65,677)**	(95,028)
Administration expenses		**(55,700)**	(63,597)
Share option and warrants	*15*	**(3,023)**	(16,527)
Other costs		**(2,932)**	(160)
Impairment – deferred mine cost	*6*	**(12,398,292)**	—
Impairment – exploration permit	*11*	**(6,284,715)**	—
Impairment – goodwill	*9*	**(429,137)**	—
Total operating loss	*4*	**(19,258,303)**	(198,373)
Other (losses)/gains – net		**(1,084)**	95,987
Finance income		**568**	2,758
Loss before income tax		**(19,258,819)**	(99,628)
Taxation	*5*	**—**	—
Loss for the period		**(19,258,819)**	(99,628)
Other comprehensive (loss)/income – foreign currency translation reserve		**(142,357)**	30,969
Total comprehensive loss for the period		**(19,401,176)**	(68,659)
Basic and diluted loss per share	*19*	**(0.05)**	(0.0003)

The notes on pages 10 to 20 form an integral part of these condensed consolidated interim financial statements.

The Directors consider that all results derive from continuing activities.

Unaudited consolidated statement of financial position

as at 30 September 2017

	Notes	At 30 September 2017 (unaudited) £	At 31 March 2017 (audited) £
Assets			
Property, plant and equipment	*7*	**42,518**	61,012
Deferred mine exploration costs	*6*	**—**	12,183,882
Exploration permits	*11*	**—**	6,284,715
Goodwill	*9*	**—**	429,137
Total non-current assets		**42,518**	18,958,746
Current assets			
Cash and cash equivalents		**2,666,675**	3,145,820
Trade and other receivables	*13*	**167,257**	141,853
Total current assets		**2,833,932**	3,287,673
Total assets		**2,876,450**	22,246,419
Equity			
Share premium	*8*	66,192,355	66,192,355
Share options reserves		—	68,933
Foreign currency translation reserve		(10,479)	131,878
Retained deficit		(63,541,005)	(44,354,141)
Shareholders' equity		**2,640,871**	22,039,025
Current Liabilities			
Trade and other payables	*14*	**235,579**	207,394
Total liabilities		**235,579**	207,394
Total equity and liabilities		**2,876,450**	22,246,419

The notes on pages 10 to 20 form an integral part of these condensed consolidated interim financial statements.

These financial statements were approved by the board of Directors on 18 December 2017 and were signed on their behalf by:

Andrew Gutmann
Director

Willy Simon
Director

Unaudited consolidated statement of changes in equity

for the six-month period ended 30 September 2017

	Notes	Share premium £	Share options reserve £	Share warrants reserve £	Foreign currency translation reserves £	Retained deficit £	Total shareholders' equity £
Balance at 1 April 2017 (audited)		**66,192,355**	**68,933**	**—**	**131,878**	**(44,354,141)**	**22,039,025**
Total comprehensive loss for the period							
Loss for the period		—	—	—	—	(19,258,819)	(19,258,819)
Other comprehensive income for the period		—	—	—	(142,357)	—	(142,357)
Transactions with owners, recorded directly in equity Contributions by and distributions to owners							
Options and warrants reserve charge	*15*	—	3,023	—	—	—	3,023
Options expired/cancelled	*15*	—	(71,956)	—	—	71,956	—
Balance at 30 September 2017 (unaudited)		**66,192,355**	**—**	**—**	**(10,479)**	**(63,541,005)**	**2,640,871**
Balance at 1 April 2016 (audited)		**66,192,355**	**184,322**	**1,114,454**	**(192,433)**	**(45,029,569)**	**22,269,129**
Total comprehensive loss for the period							
Loss for the period		—	—	—	—	(99,628)	(99,628)
Other comprehensive income for the period		—	—	—	30,969	—	30,969
Transactions with owners, recorded directly in equity Contributions by and distributions to owners							
Options and warrants expired/ cancelled	*15*	—	—	—	—	—	—
Options and warrants reserve charge	*15*	—	16,527	—	—	—	16,527
Balance at 30 September 2016 (unaudited)		**66,192,355**	**200,849**	**1,114,454**	**(161,464)**	**(45,129,197)**	**22,216,997**

The notes on pages 10 to 20 form an integral part of these condensed consolidated interim financial statements.

Unaudited consolidated statement of cash flows

for the six-month period ended 30 September 2017

	Notes	**Period ended 30 September 2017 (unaudited) £**	Period ended 30 September 2016 (unaudited) £
Cash flows from operating activities			
Loss for the period		**(19,258,819)**	(99,628)
Adjusted for non-cash and non-operating items:			
Share options and warrants charge		**3,023**	16,527
Finance income		**(568)**	(2,758)
Impairment – deferred mine cost		**12,398,292**	
Impairment – exploration permit		**6,284,715**	
Impairment – goodwill		**429,137**	
		(144,220)	(88,859)
Change in trade and other receivables		**(25,403)**	(15,960)
Change in trade and other payables		**28,184**	44,893
Net cash used in operating activities		**(141,439)**	(56,926)
Cash flows from investing activities			
Purchase of property, plant and equipment	*7*	**(1,833)**	(270)
Amount paid for capitalised deferred mine exploration cost	*6*	**(194,084)**	(102,096)
Net cash used in investing activities		**(195,917)**	(102,366)
Cash flows from financing activities			
Interest received		**568**	2,758
Net cash generated from financing activities		**568**	2,758
Effect of foreign exchange movement on cash		**(142,357)**	30,969
Decrease in cash and cash equivalents		**(479,145)**	(125,565)
Cash and cash equivalents at beginning of period		**3,145,820**	3,568,800
Cash and cash equivalents at end of period		**2,666,675**	3,443,235

The notes on pages 10 to 20 form an integral part of these condensed consolidated interim financial statements.

Notes

forming an integral part of the condensed consolidated interim financial statements for the period ended 30 September 2017

1 Reporting Entity

West African Minerals Corporation (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 Company is currently reviewing its investment strategy and considering all options, including seeking investment opportunities in a different sector, and in particular life sciences.

2 Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and do not include all of the information required for full annual financial statements. The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 18 December 2017.

(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, and after considering the change in strategy of the Company. The Directors therefore have a reasonable expectation that, despite the economic uncertainty, the Company will have adequate resources and liquidity management (note 12) for its continuing existence and projected activities for the foreseeable future, and for these reasons, continue to adopt the going concern basis in preparing the consolidated financial statements for the period ended 30 September 2017.

3 Significant accounting policies

The condensed consolidated interim financial statements of the Company for the period ending 30 September 2017 comprise the Company and its subsidiaries (together referred to as the ''Group'').

The accounting policies adopted by the Group in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2017. There were no new accounting policies adopted during the period.

The audited consolidated financial statements of the Group as at and for the year ended 31 March 2017 are available at the Group's website http://westafricanminerals.com/content/investor-centre/annual-interim-filings.

4 Operating loss

Loss before finance income is stated after charging:

Company and Group	**Period ended 30 September 2017 (unaudited) £**	Period ended 30 September 2016 (unaudited) £
Auditors' Fees	**17,085**	21,289
Directors' Fees *(note 16)*	**13,732**	15,118
Depreciation *(note 7)*	**—**	—

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, estimated to be £1,004,802 (31 March 2017: £637,673) for Cameroon operations, 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:

	Cameroon £	**Total £**
Cost		
At 1 April 2017 (audited)	14,210,260	14,210,260
Costs capitalised during the period	194,084	194,084
Depreciation charges capitalised during the period *(note 7)*	20,326	20,326
At 30 September 2017 (unaudited)	14,424,670	14,424,670
Impairment		
At 1 April 2017 (audited)	2,026,378	2,026,378
Impairment recognised during the period	12,183,882	12,183,882
At 30 September 2017 (unaudited)	14,424,670	14,424,670
Net book value		
At 30 September 2017 (unaudited)	**—**	**—**
At 31 March 2017 (audited)	12,183,882	12,183,882

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.

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 30 September 2017 and in light of the decision to cease all active operations and revert to care and maintenance pending disposal, the recoverable amount was considered to be substantially less than the carrying amount and as such, a complete impairment was recognised.

7 Property, plant and equipment

Group	Geological tools & equipment £	Furniture & equipment £	Transportation equipment £	Total £
Cost				
At 1 April 2017 (audited)	69,364	69,031	168,503	306,898
Additions	—	1,831	—	1,833
As at 30 September 2017 (unaudited)	69,364	70,862	168,503	308,731
Depreciation				
At 1 April 2017 (audited)	55,535	48,442	141,909	245,886
Charge for the period – capitalised	6,753	4,650	8,924	20,327
As at 30 September 2017 (unaudited)	62,288	53,092	150,833	266,213
Net book value				
As at 30 September 2017 (unaudited)	**7,076**	**17,770**	**17,670**	**42,518**
As at 31 March 2017 (audited)	13,829	20,589	26,594	61,012

Total proceeds received on the disposal of fixed assets during the period / year was £nil (31 March 2017: £Nil).

8 Capital and reserves

Capital Management

The Group manages its capital to maximize the return to the shareholders through the optimization of equity. The capital structure of the Group at 30 September 2017 consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained deficit as disclosed.

The Group manages its capital structure and makes adjustments to it, in light of economic conditions and the strategy approved by shareholders. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to

shareholders or issue new shares and release the Company's share premium account. No changes were made in the objectives, policies or processes during the period/year ended 30 September 2017 and 31 March 2017 or the period to date.

Share capital and premium

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

Each share in the Company confers upon the shareholder:

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

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

Authorised

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

	Shares Number	Share capital £	Share premium £
Issued ordinary shares of US$0.00 each			
At 1 April 2016 / 31 March 2017 (audited)	381,157,838	—	66,192,355
At 30 September 2017 (unaudited)	**381,157,838**	**—**	**66,192,355**

Foreign currency translation reserve

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

Share options and warrants reserve

These reserves comprise the fair value of options and warrants in issue as at 30 September 2017. A reconciliation and methodology used in determining the fair values are set out in note 15.

Dividends

No dividends were declared or proposed by the Directors during the period (31 March 2017: £Nil).

9 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 £	Total £
Cost		
At 31 March 2017 / 30 September 2017	643,706	643,706
Impairment		
At 31 March 2017	214,569	214,569
Impairment recognised during the period	429,137	429,137
At 30 September 2017 (unaudited)	643,706	643,706
Net book value		
At 30 September 2017 (unaudited)	**—**	**—**
At 31 March 2017 (audited)	**429,137**	**429,137**

The Company assessed the goodwill attributable to all remaining exploration permits for impairment as at 30 September 2017 and in light of the decision to cease all active operations and revert to care and maintenance pending disposal, considered the recoverable amount of these intangible assets to be substantially less than the carrying amount and as such, a complete impairment was recognised.

10 Investment in subsidiary undertakings

As at 30 September 2017, the Group had the following subsidiaries:

Name of company	Place of incorporation	Ownership interest	Principal activity
Ferrum Resources Limited (Ferrum) *	BVI	100%	Holding company of CMC, Ferrous Africa, Ferrum Guinee, Ferrum Benin and Ferrum Mauritania
CMC Guernsey Limited (CMC)	Guernsey	100%	Holding company of CMC Cameroon
Compagnie Minière du Cameroun (CMC Cameroon)	Cameroon	100%	Holds exploration licenses in Cameroon

* 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 30 September 2017 or the date that control ceases.

11 Exploration permits

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

	Cameroon £	Total £
Cost		
At 31 March 2017 / 30 September 2017	9,427,042	9,427,042
Impairment		
At 31 March 2017	3,142,327	3,142,327
Impairment recognised during the period	6,284,715	6,284,715
At 30 September 2017 (unaudited)	9,427,042	9,427,042
Net book value		
At 30 September 2017 (unaudited)	**—**	**—**
At 31 March 2017 (audited)	**6,284,715**	**6,284,715**

The Company assessed the exploration permits for impairment as at 30 September 2017 and considered that in light of the decision to cease all active operations and revert to care and maintenance pending disposal, the recoverable amount of these intangible assets is substantially less than the carrying amount and as such, a complete impairment was recognised.

12 Financial instruments

Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2017.

Financial Instruments classification

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

13 Trade and other receivables

	30 September 2017 £	31 March 2017 £
Prepayments	**39,599**	18,514
VAT	**121,513**	119,096
Other debtors	**6,145**	4,243
	167,257	141,853

14 Trade and other payables

	30 September 2017 £	31 March 2017 £
Trade payables	**217,684**	147,376
Accrued expenses	**15,000**	30,000
Other creditors	**2,895**	30,018
	235,579	207,394

15 Share options and warrants

Share warrants

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

Recipient	Grant Date	Term in years	Exercise Price	1 April 2017	Issued	Exercised	Lapsed	30 September 2017	FV of warrants in issue at period end £	Expensed during the period £
Shareholders[1]	25/05/13	5	40.00p	1,000,000	—	—	—	1,000,000	—	—
				1,000,000	**—**	**—**	**—**	**1,000,000**	**—**	**—**

Notes

1. *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.

	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 (%)[2]	**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	1 April 2017	Issued	Lapsed/ cancelled	Exercised	30 September 2017	Expensed during the period £	Fair value £
Directors and consultants	14/05/14	10	7.00p	3,216,667	—	—	—	3,216,667	3,023	—
				3,216,667	**—**	**—**	**—**	**3,216,667**	**3,023**	**—**

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 (%)[1]	**40%**
Risk-free interest rate (%)[2]	**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*

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.

16 Segment reporting

The Group operates in one industry segment: mineral exploration and development in Cameroon. The Company has separately identified two (2016: two) operating segments based on geographical location, being operations in Cameroon and operations at the holding level. 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 *(note 6)*	12,398,292	—	**12,398,292**
Exploration permit *(note 10)*	6,284,715	—	**6,284,715**
Other non-current assets	471,655	—	**741,655**
Current assets	279,002	2,554,930	**2,833,932**
Total liabilities	(9,508)	(226,071)	**(235,579)**
Net finance loss	—	(517)	**(517)**
Expenses	(31,486)	(114,673)	**(146,159)**
Net loss	(31,486)	(115,190)	**(146,676)**
Other comprehensive profit	—	(142,357)	**(142,357)**

17 Related party transactions

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

Key management personnel

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

	Expense recognised during the period		Outstanding at the end of the period	
	30 September 2017 £	30 September 2016 £	**30 September 2017 £**	30 September 2016 £
Brad Mills (*resigned 02 June 2017)*	**672**	2,862	**—**	4,682
Anton Mauve (*resigned 01 June 2015)*	**—**	—	**—**	653
James Mellon *(resigned 13 November 2017)*	**3,050**	2,862	**—**	4,862
Gerard Holden *(resigned 13 November 2017)*	**3,910**	3,670	**—**	6,003
Willy Simon	**3,050**	2,862	**—**	3,627
Andrew Gutman	**3,050**	2,862	**—**	3,627
Dr Kunwar Shailubhai (*appointed 06 July 2017)*	**—**	—	**—**	—
	13,732	15,118	**—**	23,274

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 15, the Board of Directors may issue share options or warrants to persons/company who provide services to the Group. The following table is a reconciliation of warrants and options in issue to key personnel as at 30 September 2017. The value of these warrants/options is commensurate with the value of services provided to the Company.

Name	**at 01 April 2017**	**Granted**	**Exercised**	**Lapsed/ Cancelled**	**At 30 September 2017**
Brad Mills	4,700,000	—	—	(4,700,000)	—
Gerard Holden	2,350,000	—	—	—	2,350,000
Totals	**7,050,000**	**—**	**—**	**(4,700,000)**	**2,350,000**

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

	Number of Ordinary Shares	Percentage of Issued Capital
James Mellon *(note 18)*	25,915,591	6.80%

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 is a director of Burnbrae Limited and the Company. During the period the Company incurred a total cost of £27,236 (30 September 2016: £25,555) under this agreement and a balance of £133,510 was due to Burnbrae Limited at end of the period (31 March 2017: £106,274).

18 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 30 September 2017	
	Number of Ordinary Shares	Percentage of Total Issued Capital
Beaufort Nominees Limited	119,218,242	31.28%
Vidacos Nominees Limited	81,627,160	21.42%
BBHISL Nominees Limited	44,702,633	11.73%
James Mellon[1]	25,915,591	6.80%
CGWL Nominees Limited	25,288,461	6.63%
The Bank of New York (Nominees) Limited	21,796,318	5.72%
Pershing Nominees Limited	15,260,993	4.00%

Notes:

1. *James Mellon's interest comprises 23,291,082 shares held by Galloway Limited (a company which is indirectly wholly owned by James Mellon) and 1,844,825 Shares held by Burnbrae Limited (a company which is indirectly wholly owned by James Mellon). The balance of James Mellon's shareholding (779,684) is held in Mr Mellon's own name*

19 Basic and diluted loss per share

The calculation of basic loss per share of the Group is based on the net loss attributable to shareholders for the period of £19,258,819 (30 September 2016: £99,628) and the weighted average number of shares outstanding of 381,157,838 (30 September 2016: 381,157,838).

Weighted average number of ordinary shares

	30 September 2017	30 September 2016
Issued ordinary shares at 01 April	**381,157,838**	381,157,838
Effect of shares issued for cash	**—**	—
Effect of share options and warrants exercised	**—**	—
Effect of shares issued to Directors in lieu of salary	**—**	—
Weighted average number of ordinary shares	**381,157,838**	381,157,838

Diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares such as warrants and options. As at 30 September 2017 and 2016, there is no dilutive effect because the Group incurred net losses in both periods. Therefore, basic and diluted earnings per share are the same.

20 Commitments and contingent liabilities

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

21 Subsequent events

On 13 November 2017, Gerard Holden and James Mellon both resigned as Directors of the Company and its subsidiaries. On the same day, Willy Simon was appointed as Acting Chairman.

The Board is in the process of reviewing the strategy for the future development of the Company. Due to the continuing challenging iron ore market conditions and difficulties in finding commercial partners, a decision has been made to not progress the Sanaga iron ore project any further. No further funds will be expended on the project, other than to maintain the current licences in good standing and to preserve value pending any prospective sale of the assets.

The Board is in the process of approving a capital reduction exercise to cancel its share premium account.

Directors' Report and Consolidated Financial Statements

For the year ended 31 March 2017

Registration number: 1415559

Contents	Page

Management and administration

Directors	Brad Mills *(Non-executive)*	*Resigned 2 June 2017*
	Gerard Holden *(Chairman)*	
	James Mellon *(Non-executive)*	
	Willy Simon *(Non-executive)*	
	Andrew Gutmann *(Non-executive)*	
	Dr Kunwar Shailubhai *(Non-executive)*	*Appointed 6 July 2017*
Registered office	Craigmuir Chambers Road Town Tortola British Virgin Islands	
Secretary	Denham Eke 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH	
Nominated 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	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW	
Depositary	Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE	
Administrator	Burnbrae Limited 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH	

Financial Highlights

- Total Assets for West African Minerals Corporation (“WAFM”) decreased by 0.9% to £22.2 million (2016: decreased to £22.4 million) largely due to operational losses of £0.54 million, offset by £0.32 million in gains from translating foreign denominated subsidiaries into Pounds Sterling.
- Cash in bank equates to £3.15 million (2016: £3.57 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 £0.22 million (2016: Loss £0.69 million).
- Basic and diluted loss per share at 0.14 pence per share for all operations (2016: 0.15 pence).

Operational Highlights

Mineral Resource Estimate (‘‘MRE’’) and Metallurgy at Sanaga:

- Royal HaskoningDHV completed a Scoping Study on Sanaga, the results of which indicate positive economic potential.
- The Ministry of Mines in Cameroon has finalised the approval of a lease-area reduction of WAFM’s surface holdings from 4,117 km^2 to 330 km^2 (1 km^2 extension of Sanaga has been requested to follow mineralisation and this may bring WAFM’s surface holdings to 331 km^2).
- The Company continues to evaluate new business proposals that will generate shareholder value.

Cash Preservation

- Due to the persisting weak market for iron ore and following the completion of the Sanaga Scoping Study, 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 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.

Chairman's statement

Dear Shareholders,

Outlook

The iron ore sector continues to see significant cyclical price pressure due to the decline in demand expectations from the key Chinese market coupled with new supply from established producers. Iron ore has traded between upper US$30's per tonne at the start of March 2016 up to mid US$60's per tonne at the end of March 2017 with a peak of around US$80 per tonne. Continued reduction in iron ore prices over the last few years has continued to cause significant stress for the industry.

West African Minerals ("WAFM") 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$ 1 million per year. Our strategy remains to prudently and cautiously advance our most mature and promising iron asset toward production by securing appropriate infrastructure and seeking out compelling new business opportunities outside of iron ore where there may be significant unrecognized value. Our long-term view is that all mineral commodities are fundamentally cyclical and that those companies that can take advantage of periods of low asset valuations to build their portfolio will be well place to benefit from the eventual market recovery.

We continue to focus significant effort on how best to utilize our existing assets, notably the Sanaga deposit, as a low cost feed source for a regional steel development opportunity and to review and evaluate new business opportunities. We will continue to preserve cash and only spend funds on compelling value generation opportunities.

Operations in Review

Sanaga

During the financial year ended 31 March 2017 the Company commissioned Royal HaskoningDHV to carry out a Scoping Study on Sanaga to investigate the technical and economic viability of the mining, infrastructure, process plant requirements and logistics necessary to produce a saleable product. Sanaga is located 60km from the seaport of Douala in Cameroon and the railway from Yaoundé to Douala passes within 10km of the deposit. While the study, the results of which were announced publicly in May 2017, suggests that the project has economic potential, the Board does not believe it is prudent to spend significantly on the project in the current iron ore market environment.

Cash Preservation

WAFM continues to operate with a skeleton staff under a cash preservation budget and has maintained significantly reduced expenditure relating to its lease holding and service providers.

A limited work programme is being undertaken on the remaining Cameroon lease areas which is focussed 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 has finalised the approval of a lease-area reduction of WAFM's surface holdings from 4,117 km^2 to 330 km^2 (1 km^2 extension of Sanaga has been requested to follow mineralisation and this may bring WAFM's surface holdings to 331 km^2).

New Business

The company continues to analyse new business proposals and your Board has considered a number of opportunities during the year under review.

Events Post Year End

In June 2017 Brad Mills resigned as a director of the Company shortly after the Company was informed that Plinian Capital was no longer a shareholder. In the same month, existing shareholder Panetta Partners Limited announced it held over 30% of the shares in the company.

In July 2017 the Company appointed Dr Kunwar Shailubhai as a non-executive director. Dr Shailubai has extensive experience in the life sciences field and is also Chief Executive Officer of AIM listed Tiziana Life Sciences plc.

Results to 31 March 2017

During the financial period under review, the Company reported a reduced loss from operations of £0.54 million (2016: £0.57 million).

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 2017 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.

The Company's shareholders' equity at £22.04 million (2016: £22.27 million), reduced by 1% primarily as a result of the operational costs incurred during the year.

Total costs capitalised to deferred mine exploration costs stood at £12.2 million (31 March 2015: £11.8 million).

Cash stood at £3.15 million at the end of the year (31 March 2016: £3.57 million).

Total number of shares in issue as at the yearend was 381,157,838, there were no new shares issued during the year.

Summary

The Board is frustrated that the global iron ore sector remains volatile but generally depressed. Until market fundamentals resolve, WAFM will continue with its cash preservation program which has been in place for the last two years.

Given the Company's focus on one commodity in one country the Board remains keen to identify other business opportunities which will generate near term shareholder value.

Gerard Holden
Chairman

28 September 2017

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 2017.

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 8 to 11.

The Group made a total comprehensive loss for the year after taxation of £215,380 (2016: Loss £690,290).

Dividend

The Directors do not propose the payment of a dividend for the year (2016: £nil).

Directors

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

	Resigned	Appointed
Bradford Mills *	2 June 2017	
Andrew Gutmann *		
Willy Simon *		
James Mellon *		
Gerard Holden		
Dr Kumar Shailubhai *		6 July 2017

* *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

28 September 2017
Craigmuir Chambers
Road Town
Tortola
British Virgin Islands

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

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

The financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the consolidated 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 Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

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 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 Statement of Directors' Responsibilities set out on page 6, 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 2017 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs, as adopted by the EU.

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

28 September 2017

Consolidated statement of comprehensive income

for the year ended 31 March 2017

	Notes	**Year ended 31 March 2017 £**	Year ended 31 March 2016 £
Continuing operations			
Income		**—**	—
Operating expenses			
Directors' fees	*18*	**(31,573)**	(25,836)
Salaries and wages		**(14,615)**	(45,042)
Consultants' fees		**(83,313)**	(105,250)
Other professional fees		**(183,992)**	(361,404)
Administration expenses		**(124,454)**	(124,026)
Share option and warrants	*16*	**14,725**	(69,031)
Other costs		**(213,722)**	(33,442)
Loss from operations	*4*	**(636,944)**	(764,031)
Other gains – net		**93,708**	33,797
Profit on disposal of fixed assets		**—**	18,715
Finance income		**3,545**	8,600
Loss before income tax		**(539,691)**	(702,919)
Taxation	*5*	**—**	—
Loss from continuing operations		**(539,691)**	(702,919)
Discontinued operations			
Profit from discontinued operations	*8*	**—**	132,203
Loss for the year		**(539,691)**	(570,716)
Other comprehensive income – foreign currency translation reserve		**324,311**	(119,574)
Total comprehensive loss for the year		**(215,380)**	(690,290)
Basic and diluted loss per share – all operations	*20*	**(0.0014)**	(0.0015)
Basic and diluted loss per share – continuing operations	*20*	**(0.0014)**	(0.0018)

The notes on pages 12 to 32 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 31 March 2017

	Notes	At 31 March 2017 £	At 31 March 2016 £
Assets			
Property, plant and equipment	*7*	**61,012**	116,390
Deferred mine exploration costs	*6*	**12,183,882**	11,827,633
Exploration permits	*12*	**6,284,715**	6,284,715
Goodwill	*10*	**429,137**	429,137
Total non-current assets		**18,958,746**	18,657,875
Current assets			
Cash and cash equivalents		**3,145,820**	3,568,800
Trade and other receivables	*14*	**141,853**	168,643
Total current assets		**3,287,673**	3,737,443
Total assets		**22,246,419**	22,395,318
Equity			
Share premium	*9*	**66,192,355**	66,192,355
Share options reserves	*16*	**68,933**	184,323
Share warrants reserves	*16*	**—**	1,114,454
Foreign currency translation reserve		**131,878**	(192,433)
Retained deficit		**(44,354,141)**	(45,029,569)
Total equity		**22,039,025**	22,269,130
Current Liabilities			
Trade and other payables	*15*	**207,394**	126,188
Total liabilities		**207,394**	126,188
Total equity and liabilities		**22,246,419**	22,395,318

The notes on pages 12 to 32 form an integral part of these consolidated financial statements.

These financial statements were approved by the board of Directors on 28 September 2017 and were signed on their behalf by:

Gerard Holden
Director

James Mellon
Director

Consolidated statement of changes in equity

for the year ended 31 March 2017

	Notes	Share premium £	Share options reserve £	Share warrants reserve £	Foreign currency translation reserves £	Retained deficit £	Total shareholders' equity £
Balance at 1 April 2016		**66,192,355**	**184,323**	**1,114,454**	**(192,433)**	**(45,029,569)**	**22,269,130**
Total comprehensive loss for the year							
Loss for the year		—	—	—	—	(539,691)	**(539,691)**
Other comprehensive profit for the year		—	—	—	324,311	—	**324,311**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options/warrants (expired) / (cancelled)	*16*	—	(143,909)	(1,071,210)	—	1,215,119	**—**
Options and warrants reserve charge	*16*	—	28,519	(43,244)	—	—	**(14,725)**
Balance at 31 March 2017		**66,192,355**	**68,933**	**—**	**131,878**	**(44,354,141)**	**22,039,025**
Balance at 1 April 2015		66,192,355	172,639	1,114,454	(72,859)	(44,516,200)	22,890,389
Total comprehensive loss for the year							
Loss for the year		—	—	—	—	(570,716)	(570,716)
Other comprehensive loss for the year		—	—	—	(119,574)	—	(119,574)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options/warrants expired/ (cancelled)	*16*	—	(57,347)	—	—	57,347	—
Directors shares issues in lieu of salary	*9,18*	—	69,031	—	—	—	69,031
Balance at 31 March 2016		66,192,355	184,323	1,114,454	(192,433)	(45,029,569)	22,269,130

The notes on pages 12 to 32 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2017

	Notes	**Year ended 31 March 2017 £**	Year ended 31 March 2016 £
Cash flows from operating activities			
Loss for the year		**(539,691)**	(570,716)
Adjusted for non-cash and non-operating items:			
Share options and warrants charge		**(14,725)**	69,031
Profit on sale of property, plant and equipment		**—**	(18,715)
Profit on sale of discontinued operations	*8*	**—**	(132,203)
Finance income		**(3,545)**	(8,600)
		(557,961)	(661,203)
Change in trade and other receivables		**26,790**	51,914
Change in trade and other payables		**81,206**	24,168
Disposal of trade and other payables on discontinued operations	*8*	**—**	132,203
Net cash used in operating activities		**(449,965)**	(452,918)
Cash flows from investing activities			
Purchase of property, plant and equipment	*7*	**(1,436)**	(319)
Proceeds from sale of property, plant and equipment	*7*	**—**	49,311
Net cash inflow on disposal of discontinued operations	*8*	**—**	1
Amount paid for capitalised deferred mine exploration cost	*6*	**(299,435)**	(282,228)
Net cash used in investing activities		**(300,871)**	(233,235)
Cash flows from financing activities			
Interest received		**3,545**	8,600
Net cash generated from financing activities		**3,545**	8,600
Effect of foreign exchange movement on cash		**324,311**	(119,574)
Decrease in cash and cash equivalents		**(422,980)**	(797,127)
Cash and cash equivalents at beginning of year		3,568,800	4,365,927
Cash and cash equivalents at end of year		**3,145,820**	3,568,800

The notes on pages 12 to 32 form an integral part of these consolidated financial statements.

Notes

forming an integral part of the consolidated financial statements for the year ended 31 March 2017

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 28 September 2017.

(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 2017.

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.

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.

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.

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.

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, an estimate is prepared 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.

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:

- Transportation equipment 5 years
- Office furniture and fittings 3 years
- Geological 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:

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.

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:

New/revised International Accounting Standards/International Financial Reporting Standards (IAS/IFRS)	**Effective date** (accounting periods commencing on or after)
Annual improvements to IFRS 2014-2016 (Amendments to IFRS12)	*1 January 2017*
Disclosure Initiative (Amendments to IAS7)	*1 January 2017*
Amendments resulting from Annual Improvements 2014-2016 Cycle *(clarifying scope)*	*1 January 2017*
IFRS 9 Financial Instruments	*1 January 2018*
IFRS16 Leases	*1 January 2019*

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.

4 Loss from operations

Loss from operations is stated after charging:

Company and Group	**31 March 2017 £**	31 March 2016 £
Auditors' Fees	**31,289**	55,778
Directors' Fees *(note 18)*	**31,573**	25,836
Rent expense	**18,244**	26,772

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 the current year, therefore it is not subject to a tax liability.

Deferred tax assets in respect of the losses incurred, estimated to be £637,673 (2016: £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:

	Cameroon £	Total £
Cost		
At 1 April 2016	13,854,011	13,854,011
Costs capitalised during the year	299,435	299,435
Depreciation charges capitalised during the year *(note 7)*	56,814	56,814
At 31 March 2017	**14,210,260**	**14,210,260**
Impairment		
At 1 April 2016	2,026,378	2,026,378
Impairment recognised during the year	—	—
At 31 March 2017	**2,026,378**	**2,026,378**
Net book value		
At 31 March 2017	**12,183,882**	**12,183,882**
At 31 March 2016	11,827,633	11,827,633

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.

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 2017 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 in the prior year, 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 prior year. See note 8 for disposal details.

7 Property, plant and equipment

Group	Geological tools & equipment £	Furniture & equipment £	Transportation equipment £	Total £
Cost				
At 1 April 2016	**69,364**	**67,595**	**168,503**	**305,462**
Additions	—	1,436	—	1,436
As at 31 March 2017	**69,364**	**69,031**	**168,503**	**306,898**
Depreciation				
At 1 April 2016	**40,994**	**38,595**	**109,483**	**189,072**
Charge for the year – capitalised	14,541	9,847	32,426	56,814
As at 31 March 2017	**55,535**	**48,442**	**141,909**	**245,886**
Net book value				
As at 31 March 2017	**13,829**	**20,589**	**26,594**	**61,012**
As at 31 March 2016	28,370	29,000	59,020	116,390

Total proceeds received on the disposal of fixed assets during the year was £Nil (2016: £49,311).

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.

(a) Results of discontinued operations

	31 March 2017 £	31 March 2016 £
Revenue	**—**	—
Expenses	**—**	(14,871)
Impairment charge	**—**	—
Results from operating activities	**—**	(14,871)
Profit on sale on discontinued operations	**—**	147,074
Profit/(loss) for the year	**—**	132,203
Attributable to:		
Equity shareholders	**—**	132,203
Basic and diluted loss per share	**—**	0.0003

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

	31 March 2017 £	31 March 2016 £
Net cash used in operating activities	**—**	(14,871)
Net cash generated from investing activities	**—**	1
Net cash flow for the year	**—**	(14,870)

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

	31 March 2017 £	31 March 2016 £
Effect of discontinued operations on the net assets and liabilities of the Group	**—**	**147,073**
Consideration received, satisfied in cash	**—**	**1**
Profit on sale of discontinued operations	**—**	**147,074**

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 2017 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 2017 and 31 March 2016.

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.

Issued ordinary shares	Date	Issue price	Shares Number	Share capital £	Share premium £
At 31 March 2016			381,157,838	—	66,192,355
At 31 March 2017			**381,157,838**	**—**	**66,192,355**

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 2017. 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 2016: £Nil).

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 yearend is analysed as follows:

	Cameroon £	Total £
Cost		
At 1 April 2016 and at 31 March 2017	643,706	643,706
Impairment		
At 1 April 2016 and at 31 March 2017	214,569	214,569
Net book value		
At 31 March 2017 and 31 March 2016	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.

During the 2014 yearend, the Company recognised a goodwill impairment of £214,569 relating to the Dja and Minko licences in Cameroon. The Company additionally assessed the goodwill attributable to all remaining exploration permits for impairment as at 31 March 2017 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 2017, 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

* 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 2017 or the date that control ceases.

Disposal of interest in Sierra Leone

During the prior year, 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 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 £	Total £
Cost		
At 1 April 2016 and at 31 March 2017	9,427,042	9,427,042
Impairment		
At 1 April 2016 and at 31 March 2017	3,142,327	3,142,327
Net book value		
At 31 March 2017 and 31 March 2016	6,284,715	6,284,715

The Company completed its withdrawal from Sierra Leone in the prior year, 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.

During the 2014 yearend, the Company recognised an impairment in the carrying amounts of exploration permits of £3,142,327 relating to the Dja and Minko licences in Cameroon. The Company assessed the remaining exploration permits for impairment as at 31 March 2017 and considered that the recoverable amount of these intangible assets exceeded the carrying amount and as such, no impairment was recognised. There has been no indication of impairment since the last review and exploration activities to date have continued to be positive.

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, with funds being held with banks with a strong credit rating and history. 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 2017, 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
31 March 2017	Cash	1,001,537	804,228	107,173,710	141,071
	Accounts receivable	—	—	93,702,414	123,339
	Accounts payable	—	—	(5,300,002)	(6,976)
31 March 2016	Cash	1,572,118	1,094,180	35,119,311	41,862
	Accounts receivable	—	—	108,731,436	129,606
	Accounts payable	—	—	(1,838,727)	(2,192)

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).

Pound sterling against:	**31 March 2017 £**	31 March 2016 £
USD	**73,112**	99,471
XAF	**23,403**	15,389

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 2017 £**	31 March 2016 £
USD	**—**	(149,480)
XAF	**324,310**	1,697,645

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.

14 Trade and other receivables

	31 March 2017 £	31 March 2016 £
Prepayments	**18,514**	54,850
VAT	**119,096**	108,806
Other debtors	**4,243**	4,987
	141,853	168,643

15 Trade and other payables

	31 March 2017 £	31 March 2016 £
Trade payables	**147,376**	86,368
Accrued expenses	**30,000**	38,767
Other creditors	**30,018**	1,053
	207,394	126,188

16 Share options and warrants

Share warrants

A reconciliation of the total number of share warrants in issue as at the yearend is set out below.

Recipient	Grant Date	Term in years	Exercise Price	01 April 2016	Issued	Exercised	Lapsed	31 March 2017	FV of warrants in issue at period end £	Expensed during the period £
Ferrum warrant holders[1, 3]	09/01/12	5	24.40p	11,456,000	—	—	(11,456,000)	—	—	—
Advisors[2, 3]	09/01/12	5	10.00p	1,878,523	—	—	(1,878,523)	—	—	—
Consultants[4]	02/04/12	5	25.00p	1,400,000	—	—	(1,400,000)	—	—	—
Shareholders[5]	25/05/13	5	40.00p	1,000,000	—	—	—	1,000,000	—	(43,244)
Shareholders[5]	14/02/14	2-3	10.00p	43,820,473	—	—	(43,820,473)	—	—	—
				59,554,996	**—**	**—**	**(58,554,996)**	**1,000,000**	**—**	**(43,244)**

A reconciliation of the total number of share warrants in issue as at 31 March 2016 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[1, 3]	09/01/12	5	24.40p	11,456,000	—	—	—	11,456,000	382,637	—
Advisors[2, 3]	09/01/12	5	10.00p	1,878,523	—	—	—	1,878,523	85,838	—
Consultants[4]	02/04/12	5	25.00p	1,400,000	—	—	—	1,400,000	68,740	—
Shareholders[5]	25/05/13	5	40.00p	1,000,000	—	—	—	1,000,000	43,244	—
Shareholders[5]	14/02/14	2-3	10.00p	43,820,473	—	—	—	43,820,473	533,995	—
				59,554,996	**—**	**—**	**—**	**59,554,996**	**1,114,454**	**—**

Notes

1. *Issued as part of consideration paid by the Company to non-controlling shareholders of Ferrum Resources Limited ("Ferrum") 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.

	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 (%)[2]	**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

A reconciliation of the total number of share options in issue as at the yearend is set out below.

Recipient	Grant Date	Term in years	Exercise Price	01 April 2016	Issued	Lapsed/ cancelled	Exercised	31 March 2017	Expensed during the year £	Fair value £
Directors and consultants	14/05/14	10	7.00p	9,650,000	—	(6,433,333)	—	**3,216,667**	**28,519**	**71,955**
				9,650,000	—	(6,433,333)	—	**3,216,667**	**28,519**	**71,955**

A reconciliation of the total number of share options in issue as at 31 March 2016 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
				14,450,000	**—**	**(4,800,000)**	**—**	**9,650,000**	**69,031**	**184,323**

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 £71,955 of which £68,933 has been recognised in the profit and loss to date. During the year, options with a fair value of £143,909 lapsed and were transferred from the share options reserve to retained earnings.

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

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 (%)[1]	**40%**
Risk-free interest rate (%)[2]	**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*

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 (2016: two) operating segments based on geographical location, being operations in Cameroon and operations at the holding Company level. 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 *(note 6)*	12,183,882	—	12,183,882
Exploration permit *(note 12)*	6,284,715	—	6,284,715
Other non-current assets	490,149	—	490,149
Current assets	284,124	3,003,549	3,287,673
Total liabilities	(6,977)	(200,417)	(207,394)
Finance income	—	3,545	3,545
Expenses	(345,791)	(291,153)	(636,944)
Gains on foreign exchange	—	93,708	93,708
Net loss	(345,791)	(193,900)	(539,691)
Other comprehensive income	324,311	—	324,311

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:

	Expense recognised during the year		**Outstanding at the end of the year**	
Company	**31 March 2017 £**	31 March 2016 £	**31 March 2017 £**	31 March 2016 £
Brad Mills *(resigned 02 June 2017)*	**5,977**	5,196	—	—
James Mellon	**5,977**	5,195	—	—
Gerard Holden	**7,665**	6,661	—	—
Willy Simon	**5,977**	4,392	—	—
Andrew Gutmann	**5,977**	4,392	—	—
	31,573	25,836	—	—

Directors fee restructure:

As previously reported, 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 2017. The value of these warrants/options is commensurate with the value of services provided to the Company.

Name	31 March 2016	Granted	Exercised	Lapsed/ Cancelled	31 March 2017
Gerard Holden	2,350,000	—	—	—	2,350,000
Brad Mills	4,700,000	—	—	(4,700,000)	—
Totals	**7,050,000**	**—**	**—**	**(4,700,000)**	**2,350,000**

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

	Number of Ordinary Shares	Percentage of Issued Capital
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 is a director and ultimate beneficial owner of Burnbrae Limited, and a Director of the Company. During the year the Company incurred a total cost of £54,585 (2016: £35,161) under this agreement of which £106,274 was outstanding at end of the year (2016: £51,689).

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 2017		At 31 March 2016	
	Number of Ordinary Shares	Percentage of Total Issued Capital	Number of Ordinary Shares	Percentage of Total Issued Capital
Beaufort Nominees Limited[1]	117,466,234	30.82%	117,466,234	30.82%
Panetta Partners Limited	57,559,775	15.10%	57,559,775	15.10%
Rosy Mining Limited[2]	35,889,079	9.42%	35,889,079	9.42%
Regent Mercantile Holdings Limited	32,672,906	8.57%	32,672,906	8.57%
Plinian Capital Limited[4]	32,353,998	8.49%	42,496,856	11.15%
James Mellon[3]	26,015,591	6.83%	26,015,591	6.83%
Bradford Mills	—	—	43,655,233	11.45%
Generation Resources Limited	—	—	14,360,340	3.77%

Notes

1. This holding includes the shares held by Rosy Mining Limited (referenced below).
2. Rosy Mining Limited shares are held by Beaufort Nominees Limited.
3. Includes 23,291,082 shares held by Galloway Limited (a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest) and 1,844,825 Shares held by Burnbrae Limited (a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest). The balance of James Mellon's shareholding (879,684) is held in Mr Mellon's own name.
4. Brad Mills is the controlling shareholder of Plinian Capital Limited ("Plinian"). Plinian also has a 50 per cent indirect holding in CE Mining Limited, who holds 10,142,858 shares in the Company.

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 £539,691 (2016: £570,716) and the weighted average number of shares outstanding of 381,157,838 (2016: 381,157,838).

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 £539,691 (2016: £702,919) and the weighted average number of shares outstanding of 381,157,838 (2016: 381,157,838).

Weighted average number of ordinary shares

	31 March 2017	31 March 2016
Issued ordinary shares at 01 April	381,157,838	381,157,838
Effect of shares issued to Directors	**—**	—
Weighted average number of ordinary shares during the year	**381,157,838**	381,157,838

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 2017 and 2016, there is no dilutive effect because the Group incurred net losses in both years. 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

Up to the date of signing the financial statements, no subsequent events have occurred that require disclosure.

Directors' Report and Consolidated Financial Statements

For the year ended 31 March 2016

Registration number: 1415559

Contents	Page

Management and administration

Registered office	Craigmuir Chambers Road Town Tortola British Virgin Islands
Secretary	Denham Eke 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH
Nominated 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 4th Floor Viking House Nelson Street Douglas Isle of Man IM1 2AH

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^2 to 331 km^2 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.

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 place 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^2 to 331 km^2 (with permits being reduced from 5 to 4 as Binga and Minko were merged).

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.

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

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

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.

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

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 £
Continuing operations			
Income		**—**	—
Operating expenses			
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)
Total operating expenses	*4*	**(764,031)**	(1,182,709)
Other gains – net		**33,797**	161,869
Profit on disposal of fixed assets		**18,715**	—
Finance income		**8,600**	11,678
Loss before income tax		**(702,919)**	(1,009,162)
Taxation	*5*	**—**	—
Loss from continuing operations		**(702,919)**	(1,009,162)
Discontinued operations			
Profit/(loss) from discontinued operations	*8*	**132,203**	(4,565,555)
Loss for the year		**(570,716)**	(5,574,717)
Other comprehensive loss – foreign currency translation reserve		**(119,574)**	(167,306)
Total comprehensive loss for the year		**(690,290)**	(5,742,023)
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.

Consolidated statement of financial position

as at 31 March 2016

	Notes	**At 31 March 2016 £**	At 31 March 2015 £
Assets			
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
Total non-current assets		**18,657,875**	18,405,925
Current assets			
Cash and cash equivalents		**3,568,800**	4,365,927
Trade and other receivables	*14*	**168,643**	220,556
Total current assets		**3,737,443**	4,586,483
Total assets		**22,395,318**	22,992,408
Equity			
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)
Total equity		**22,269,130**	22,890,389
Current Liabilities			
Trade and other payables	*15*	**126,188**	102,019
Total liabilities		**126,188**	102,019
Total equity and liabilities		**22,395,318**	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

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 £
Balance at 1 April 2015		**66,192,355**	**172,639**	**1,114,454**	**(72,859)**	**(44,516,200)**	**22,890,389**
Total comprehensive loss for the year							
Loss for the year		—	—	—	—	(570,716)	(570,716)
Other comprehensive profit / (loss) for the year		—	—	—	(119,574)	—	(119,574)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options/warrants expired/ (cancelled)	*16*	—	(57,347)	—	—	57,347	—
Options and warrants reserve charge	*16*	—	69,031	—	—	—	69,031
Balance at 31 March 2016		**66,192,355**	**184,323**	**1,114,454**	**(192,433)**	**(45,029,569)**	**22,269,130**
Balance at 1 April 2014		65,953,822	712,783	1,106,816	94,447	(39,654,266)	28,213,602
Total comprehensive loss for the year							
Loss for the year		—	—	—	—	(5,574,717)	(5,574,717)
Other comprehensive loss for the year		—	—	—	(167,306)	—	(167,306)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
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
Balance at 31 March 2015		**66,192,355**	**172,639**	**1,114,454**	**(72,859)**	**(44,516,200)**	**22,890,389**

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

Consolidated statement of cash flows

for the year ended 31 March 2016

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

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

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.

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.

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.

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.

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:

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.

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:

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

4 Loss before finance income

Loss before finance income is stated after charging:

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

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:

	Cameroon £	Sierra Leone £	Total £
Cost			
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 *(note 7)*	76,459	—	76,459
Disposal of Sierra Leone licences	—	(1,847,096)	(1,847,096)
At 31 March 2016	13,854,011	—	13,854,011
Impairment			
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)
At 31 March 2016	2,026,378	—	2,026,378
Net book value			
At 31 March 2016	**11,827,633**	**—**	**11,827,633**
At 31 March 2015	11,468,946	—	11,468,946

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.

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 £
Cost					
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)
As at 31 March 2016	**69,364**	**67,595**	**—**	**168,503**	**305,462**
Depreciation					
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)
As at 31 March 2016	**40,994**	**38,595**	**—**	**109,483**	**189,072**
Net book value					
As at 31 March 2016	**28,370**	**29,000**	**—**	**59,020**	**116,390**
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.

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)
Results from operating activities	**(14,871)**	(4,565,555)
Profit on sale on discontinued operations	**147,074**	—
Profit/(loss) for the year	**132,203**	(4,565,555)
Attributable to:		
Equity shareholders	**132,203**	(4,565,555)
Basic and diluted loss per share	**0.0003**	(0.0121)

(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**	—
Net cash flow for the year	**(14,870)**	(132,740)

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

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

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.

Issued ordinary shares	Date	Issue price	Shares Number	Share capital £	Share premium £
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
At 31 March 2016			**381,157,838**	**—**	**66,192,355**

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).

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 £
Cost			
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
Impairment			
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
Net book value			
At 31 March 2016	**429,137**	**—**	**429,137**
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.

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 £
Cost			
At 1 April 2015	9,427,042	2,371,151	11,798,193
Disposal of Sierra Leone licences	—	(2,371,151)	(2,371,151)
At 31 March 2016	9,427,042	—	9,427,042
Impairment			
At 1 April 2015	3,142,327	2,371,151	5,513,478
Disposal of Sierra Leone licences	—	(2,371,151)	(2,371,151)
At 31 March 2016	3,142,327	—	3,142,327
Net book value			
At 31 March 2016	**6,284,715**	**—**	**6,284,715**
At 31 March 2015	6,284,715	—	6,284,715

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.

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
31 March 2016	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
31 March 2015	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)

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).

Pound sterling against:	**31 March 2016 £**	31 March 2015 £
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.

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
	168,643	220,556

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
	126,188	102,019

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[1, 3]	09/01/12	5	24.40p	11,456,000	—	—	—	11,456,000	382,637	—
Advisors[2, 3]	09/01/12	5	10.00p	1,878,523	—	—	—	1,878,523	85,838	—
Consultants[4]	02/04/12	5	25.00p	1,400,000	—	—	—	1,400,000	68,740	—
Shareholders[5]	25/05/13	5	40.00p	1,000,000	—	—	—	1,000,000	43,244	—
Shareholders[5]	14/02/14	2-3	10.00p	43,820,473	—	—	—	43,820,473	533,995	—
				59,554,996	**—**	**—**	**—**	**59,554,996**	**1,114,454**	**—**

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.

	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 (%)[2]	**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

3. *Annualised standard deviation of continuously compounded rates of return based on Company's historic share prices*
4. *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
				14,450,000	**—**	**(4,800,000)**	**—**	**9,650,000**	**69,031**	**184,323**

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 (%)[1]	**40%**
Risk-free interest rate (%)[2]	**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*

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 *(note 6)*	11,827,633	—	11,827,633
Exploration permit *(note 12)*	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)

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:

	Expense recognised during the year		Outstanding at the end of the year	
Company	**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**	—	—	—
	25,836	241,853	—	2,796

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
Totals	**11,750,000**	**—**	**—**	**(4,700,000)**	**7,050,000**

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).

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[1]	**117,466,234**	**30.82%**	116,966,234	30.69%
Panetta Pa rtners Limited	**57,559,775**	**15.10%**	57,559,775	15.10%
Bradford Mills[2]	**43,655,233**	**11.45%**	43,655,233	11.45%
Plinian Capital Limited	**42,496,856**	**11.15%**	42,496,856	11.15%
Rosy Mining Limited[3]	**35,889,079**	**9.42%**	35,889,079	9.42%
Regent Mercantile Holdings Limited	**32,672,906**	**8.57%**	32,672,906	8.57%
James Mellon[4]	**26,015,591**	**6.83%**	26,015,591	6.83%
Generation Resources Limited	**14,360,340**	**3.77%**	14,360,340	3.77%

Notes:

1. This holding includes the shares held by Rosy Mining Limited (referenced below).
2. 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.
3. Rosy Mining Limited shares are held by Beaufort Nominees Limited.
4. 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

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	**381,157,838**	376,737,123
Effect of shares issued to Directors	**—**	387,570
Weighted average number of ordinary shares during the year	**381,157,838**	377,124,693

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.

Directors' Report and Consolidated Financial Statements

For the year ended 31 March 2015

Registration number: 1415559

Management and administration

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

Financial Highlights

- Total Assets declined by 18.9% to £23.0 million (2014: £28.4 million) as a result of impairment recognised in respect of Sierra Leone license permits.
- Cash on hand equates to £4.4 million (2014: £7.1 million).
- Operational expenses continue to be rigorously controlled at all levels.
- During the financial period under review, the Group reported a total comprehensive loss of £5.7 million (2014: £8.5 million).
- Basic and diluted loss per share has nearly halved at 1.48 pence per share (2014: 2.78 pence).

Operational Highlights

Maiden Resource Estimate (MRE) and Metallurgy at Sanaga:

- CIM (NI-43-101 compliant) Inferred Mineral Resource of 82.9 Mt @ 32.1% Fe at a 25% Fe cut-off grade to a depth of 150m below surface.
- Included in the MRE is a higher grade oxidised cap and near-surface enriched mineralisation of 15.8 Mt @ 37.3% Fe at a 25% cut-off grade.
- Mineralisation has been intersected along a strike length of approximately 3 km from the surface to a vertical depth of approximately 150m and remains open at depth.
- Positive metallurgical test work reported on 21 October 2014 supports the potential production of a premium grade (69% Fe) concentrate at a favourable mass recovery of approximately 40%.
- A summary Environmental and Social Impact Assessment (ESIA) has been completed and submitted to the Government of Cameroon for review and approval.

Cash Preservation

- Due to the persisting weak market for iron ore and following the completion of the Sanaga MRE, WAFM implemented a significantly reduced operational and corporate budget aimed at preserving its cash position throughout 2015.
- 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, application for a reduction in the lease area size under exploration permit in Cameroon (to include only areas of ‘‘known mineralization’’) and a rationalization of Corporate overheads.

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 current perceived decline in forward looking demand expectation from the key Chinese market. Prices of several key commodities are at 5 and 6 year lows. Most notably, iron ore has traded in a range of US$ 51 to US$ 62 per dry metric ton 62% Fe since February 2015, down over 50% from its 2013 peak of over US$ 140 per ton. This dramatic reduction in price has led to substantial financial stress in the junior iron ore production space with the closure and bankruptcy of a number of new market entrants that were over geared and or had high cost structures. Equity values in all segments of the market place from senior producer to junior explorers have declined from 60%-95% in reaction to the rapid commodity price fall and dimming outlook for fast price recovery.

West African Minerals is fortunate among its peers in that it has no leverage, a healthy cash balance and low maintenance burn rate of less than US$ 1 million per year. Our strategy today is to look for compelling consolidation opportunities in the mineral resource space in Africa where there is significant unrecognized value and West African Minerals can utilize its substantial technical expertise to unlock this 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 place to benefit from the eventual market recovery.

We are thus spending most of our effort at this stage focusing on how best to utilize our existing assets, notably the Sanaga deposit in a regional steel development opportunity and evaluating consolidating opportunities for advanced exploration or producing assets. This approach conserves cash until we are satisfied with the intrinsic value opportunities.

2015 Operations in Review

In the last message to shareholders we reported on the initial reconnaissance-drilling programme on South Sanaga and preliminary metallurgical test work. Following encouraging results from this programme a 2,000m infill Reverse Circulation (RC) drilling programme was approved by the board with additional metallurgical work, to establish a maiden resource estimate (MRE) for this deposit. The results of this programme were reported in news releases earlier in the year and are summarized below.

Sanaga Maiden Inferred Mineral Resource Estimate

The total Inferred Mineral Resource of 82.9 Mt @ 32.1% Fe at a 25% cut-off grade includes a higher grade oxidised cap and near-surface enriched mineralisation of 15.8 Mt @ 37.3% Fe at a 25% cut-off grade, as presented in the table and map below.

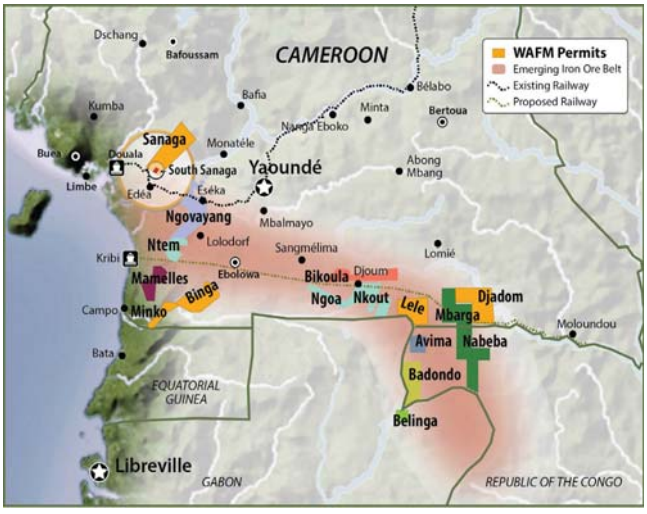
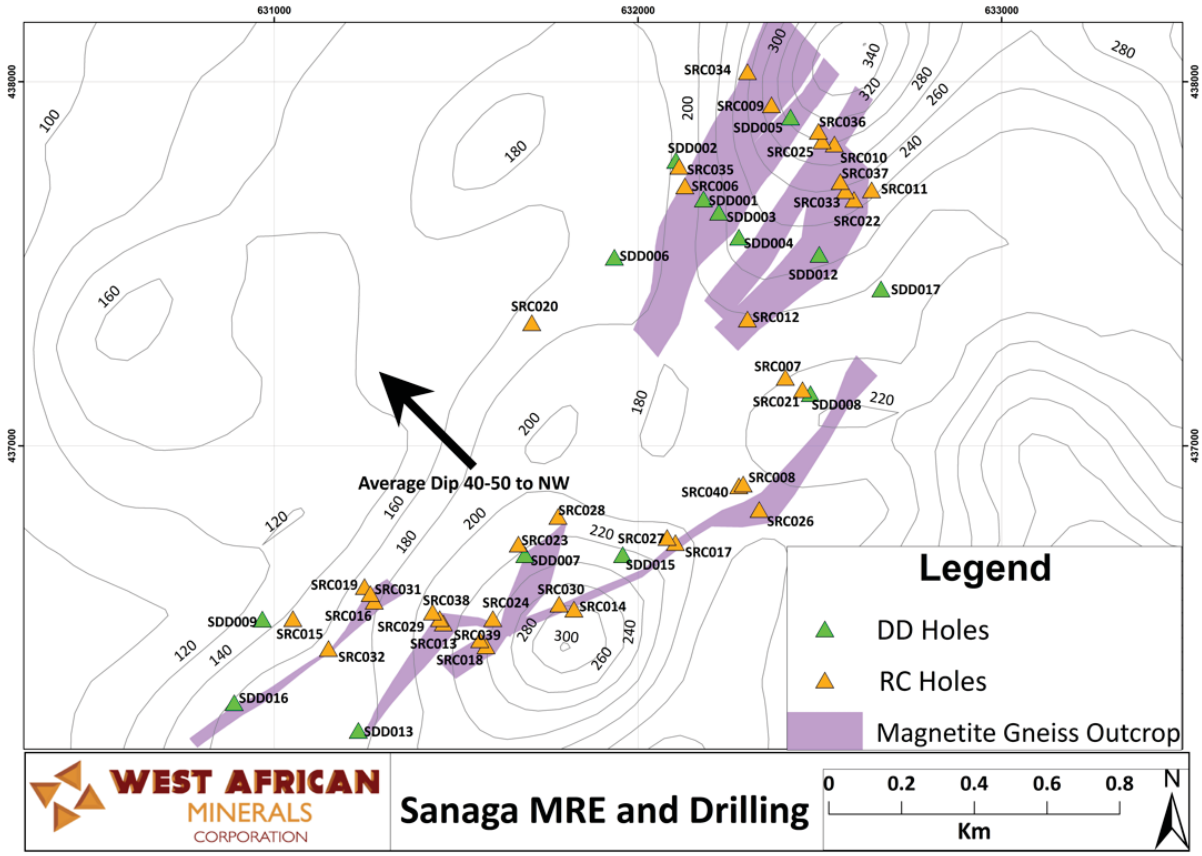


Table 1: Sanaga Inferred Mineral Resource (by Mineralisation Domain) at a 25% cut-off as at 19 January 2015

Mineralisation Domain	Tonnes (millions)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Oxidised Cap	15.8	37.3	37.7	5.0	0.05	3.09
Magnetite gneiss	67.1	30.8	48.5	3.4	0.05	-0.70
Total	82.9	32.1	46.4	3.7	0.05	0.02



Preliminary metallurgical test work has confirmed that we can produce a premium grade and quality concentrate. Davis Tube Recovery (DTR) magnetic separation at a grind size of 75 µm yielded concentrates of approximately 69% Fe at average mass recoveries of 48% for fresh, and 35% for oxidised material (as illustrated in Table 2, below).

Table 2: DTR Summary (1.8A, 3500 Gauss)

Ore type	Grind Size (*m)	Feed Grade (%)	Conc. Fe (%)	Mass Recovery (%)	SiO2 (%)	Al2O3 %	P (%)
Fresh	75	36.0	68.9	48.3	3.3	0.7	0.00
Oxidised	75	34.5	69.3	35.4	1.6	0.8	0.01

The geometry of the mineralisation, which outcrops at surface, lends itself to low cost, low stripping ratio open pit mining. The project's close proximity to existing rail, power and port infrastructure suggests minimal capital expenditures will be required to develop export infrastructure. While we recognize the depressed state of the current iron ore market, the Sanaga resource represents an opportunity to develop a low capital intensity and low operating cost project. This positions WAFM to be a first mover in Cameroon as and when the current iron ore pricing environment improves. The company completed the MRE on schedule and budget.

Cash Preservation

Given the persisting weak iron ore market, WAFM elected to complete work on the ''strategically'' positioned Sanaga South resource, while entering into a period of cash preservation and significantly reduced expenditure, for the foreseeable future. This has included the divestiture of the Sierra Leone Exploration Leases (as announced on 21 August 2015), application for the significant reduction of the exploration lease areas in Cameroon (preserving the defined resource and deposit areas), and a ''bare-bones'' operational and corporate budget.

Reduction of Exploration Lease Area in Cameroon

In order to reduce statutory compliance costs in Cameroon, a review of all exploration results to date was undertaken in order to identify areas either with confirmed iron mineralisation or considered highly prospective. An application to relinquish the remaining non-mineralised areas and renew the mineralised areas has been submitted to the Ministry of Mines. This will result in surface holdings being reduced from 4,117 km^2 to 332 km^2 and permits being reduced from 5 to 4 as Binga and Minko would be merged (as illustrated in Table 3). These areas for relinquishment have been rehabilitated and inspected by the Cameroon Government environmental authorities, who issued clearance certificates. The relinquishment applications have been lodged and we are currently awaiting finalization of this process.

Table 3: Relinquishment Summary

Lease	Original Surface Area (Km^2)	New Surface Area (Km^2)
Djadom	994	48
Binga/Minko	840 + 293	101
Lele	995	98
Sanaga	995	85
Total	**4117**	**332**

Divestiture of Sierra Leone Licence Interests

On 27 February 2015 the Board of WAFM announced the implementation of its new stream-lined budget for 2015 to reduce expenditure at the operational and corporate level, including the proposal that the Company relinquish its licences in Sierra Leone thereby reducing costs in Sierra Leone to US$50,000 in the 2015 Budget for rehabilitation and wind-up. The Company has 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 which 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 Ferrous Africa Limited from completion, including any costs for rehabilitation and wind-up, which had otherwise been estimated to cost the Company US$50,000 in 2015. In addition, the buyer has paid a nominal consideration of US$1. Following completion, the Company has no further interests in Sierra Leone and no further financial liabilities in respect of the Sierra Leone licences.

Board Changes

On 11 February 2015, the Board of WAFM received a requisition from Beaufort Nominees Limited (''Beaufort'') requesting that the Company convene a general meeting of shareholders of the Company to consider various resolutions to change the composition of the Board of Directors. The Company made the following Board changes and Beaufort has agreed to withdraw the requisition.

- Andrew Gutmann and Willy Simon were appointed as non-executive directors of the Company with immediate effect.
- Anton Mauve has stepped down as a director of the Company with immediate effect while continuing his operational role as president.

Results to March 2015

During the financial period under review, the Group reported a total comprehensive loss of £5.7 million (2014: £8.5 million).

On 27 February 2015 the Board of WAFM announced that it had implemented a new stream-lined budget for the Company for 2015 (the ''2015 Budget'') to reduce expenditure at the operational and corporate level, including the proposal that the Company relinquish its licences in Sierra Leone thereby reducing costs in Sierra Leone to US$50,000 in the 2015 Budget for rehabilitation and wind-up.

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. In addition, the buyer has paid a nominal consideration of US$1. Following completion, the Company has no further interests in Sierra Leone and no further financial liabilities in respect of the Sierra Leone licences.

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 2015 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 18.9% as a result of impairment recognised as well as the operational costs incurred during the year.

Total costs capitalised to Deferred Mine Exploration costs stood at £11.5 million (2014: £11.4 million).

Cash stood at £4.4 million at the end of the year (2014: £7.1 million).

Operational expenses for the year, excluding impairment, stood at £1.2 million compared to £3.0 million in the previous year.

Total number of shares in issue increased to 381.2 million (2014: 376.7 million) resulting in an increase in Share Premium to £66.2 million (2014: £66.0 million). Total shares issued during the year comprised of 4.4 million shares issued in February 2015 in respect of shares issued to Directors in lieu of fees as announced in the Financial Statements to 31 March 2014.

Summary

Until market fundamentals resolve and demand from China strengthens, WAFM 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 six months while the company continues to derisk 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 management 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.

Bradford A Mills

Executive Chairman

28 September 2015

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 2015.

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 11 to 14.

The Group made a total comprehensive loss for the year after taxation of £5,742,023 (2014: £8,528,990).

Dividend

The Directors do not propose the payment of a dividend for the year (2014: £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 *		
Denham Eke		19 May 2014
Gerard Holden *		

* *non-executive*

Auditors

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

On behalf of the Board

Bradford Mills
Director

Craigmuir Chambers
Road Town
Tortola
British Virgin Islands

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

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

The financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that 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 applicable International Financial Reporting Standards, as adopted by the EU, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

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 2015 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 9, 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 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 2015 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs, as adopted by the EU.

28 September 2015

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

Consolidated statement of comprehensive income
for the year ended 31 March 2015

	Notes	**Year ended 31 March 2015 £**	Year ended 31 March 2014 £
Income		**—**	—
Expenses			
Directors' fees	*17*	**(241,853)**	(463,279)
Salaries and wages		**(78,497)**	(183,316)
Consultants' fees		**(65,738)**	(46,726)
Other professional fees		**(396,573)**	(792,384)
Administration expenses		**(267,885)**	(437,531)
Share option and warrants	*15*	**(180,277)**	(844,608)
Other costs		**(84,626)**	(100,515)
Foreign exchange profit / (loss)		**161,869**	(112,717)
Impairment of deferred mine exploration costs	*6*	**(1,847,095)**	(2,026,378)
Impairment of exploration permits	*11*	**(2,371,151)**	(3,142,327)
Impairment of goodwill	*9*	**(214,569)**	(214,569)
Loss before finance (expense) / income	*4*	**(5,586,395)**	(8,364,350)
Finance income / (expense)		**11,678**	(2,488)
Loss before income tax		**(5,574,717)**	(8,366,838)
Taxation	*5*	**—**	—
Loss after income tax		**(5,574,717)**	(8,366,838)
Other comprehensive loss – foreign currency translation reserve		**(167,306)**	(162,152)
Total comprehensive loss for the year		**(5,742,023)**	(8,528,990)
Loss attributable to:			
Owners of the Company		**(5,574,717)**	(8,366,838)
Non-controlling interest		**—**	—
		(5,574,717)	(8,366,838)
Total comprehensive loss attributable to:			
Owners of the Company		**(5,742,023)**	(8,528,990)
Non-controlling interest		**—**	—
		(5,742,023)	(8,528,990)
Basic and diluted loss per share	*19*	**(0.0148)**	(0.0278)

The notes on pages 15 to 35 form an integral part of these consolidated financial statements.

The Directors consider that all results derive from continuing activities.

Consolidated statement of financial position
as at 31 March 2015

	Notes	As at 31 March 2015 £	As at 31 March 2014 £
Assets			
Property, plant and equipment	*7*	**223,127**	383,692
Deferred mine exploration costs	*6*	**11,468,946**	11,358,377
Exploration permits	*11*	**6,284,715**	8,655,866
Goodwill	*9*	**429,137**	643,706
Total non-current assets		**18,405,925**	21,041,641
Current assets			
Cash and cash equivalents		**4,365,927**	7,103,877
Trade and other receivables	*13*	**220,556**	217,049
Total current assets		**4,586,483**	7,320,926
Total assets		**22,992,408**	28,362,567
Equity			
Share premium	*8*	**66,192,355**	65,953,822
Share options reserves	*15*	**172,639**	712,783
Share warrants reserves	*15*	**1,114,454**	1,106,816
Foreign currency translation reserve		**(72,859)**	94,447
Retained deficit		**(44,516,200)**	(39,654,266)
Shareholders' equity		**22,890,389**	28,213,602
Non-controlling interest		**—**	—
Total equity		**22,890,389**	28,213,602
Current Liabilities			
Trade and other payables	*14*	**102,019**	148,965
Total liabilities		**102,019**	148,965
Total equity and liabilities		**22,992,408**	28,362,567

The notes on pages 15 to 35 form an integral part of these consolidated financial statements.

These financial statements were approved by the board of Directors on 28 September 2015 and were signed on their behalf by:

Bradford Mills
Director

Gerard Holden
Director

Consolidated statement of changes in equity

for the year ended 31 March 2015

	Notes	Share premium £	Share options reserve £	Share warrants reserve £	Foreign currency translation reserves £	Retained deficit £	Total shareholders' equity £	Non-controlling interest £	Total £
Balance at 1 April 2014		**65,953,822**	**712,783**	**1,106,816**	**94,447**	**(39,654,266)**	**28,213,602**	**—**	**28,213,602**
Total comprehensive loss for the year									
Loss for the year		—	—	—	—	(5,574,717)	(5,574,717)	—	(5,574,717)
Other comprehensive loss for the year		—	—	—	(167,306)	—	(167,306)	—	(167,306)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Options/warrants expired/ (cancelled)	*15*	—	(712,783)	—	—	712,783	—	—	—
Directors shares issues in lieu of salary	*8,17*	238,533	—	—	—	—	238,533	—	238,533
Options and warrants reserve charge	*15*	—	172,639	7,638	—	—	180,277	—	180,277
Balance at 31 March 2015		**66,192,355**	**172,639**	**1,114,454**	**(72,859)**	**(44,516,200)**	**22,890,389**	**—**	**22,890,389**
Balance at 1 April 2013		**59,626,661**	**864,159**	**576,249**	**256,599**	**(31,696,143)**	**29,627,525**	**—**	**29,627,525**
Total comprehensive loss for the year									
Loss for the year		—	—	—	—	(8,366,838)	(8,366,838)	—	(8,366,838)
Other comprehensive loss for the year		—	—	—	(162,152)	—	(162,152)	—	(162,152)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares issued for cash subscription	*8*	6,134,866	—	—	—	—	6,134,866	—	6,134,866
Exercise of share options	*8, 15*	55,450	(13,783)	—	—	—	41,667	—	41,667
Exercise of share warrants	*8, 15*	136,845	—	(42,919)	—	—	93,926	—	93,926
Options/warrants expired		—	(385,868)	(22,847)	—	408,715	—	—	—
Options and warrants reserve charge	*15*	—	248,275	596,333	—	—	844,608	—	844,608
Balance at 31 March 2014		**65,953,822**	**712,783**	**1,106,816**	**94,447**	**(39,654,266)**	**28,213,602**	**—**	**28,213,602**

The notes on pages 15 to 35 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2015

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Cash flows from operating activities			
Loss before income tax		**(5,574,717)**	(8,366,838)
Adjusted for non-cash and non-operating items:			
Depreciation	*7*	**—**	62,143
Share options and warrants charge		**180,277**	844,608
Loss on sale and write off of property, plant and equipment		**66,506**	33,293
Impairment of deferred mine exploration costs	*6*	**1,847,095**	2,026,378
Impairment of exploration permits	*11*	**2,371,151**	3,142,327
Impairment of goodwill	*9*	**214,569**	214,569
Finance (income) / expense		**(11,678)**	2,488
		(906,797)	(2,041,032)
Change in trade and other receivables		**(3,507)**	(61,714)
Change in trade and other payables		**(46,946)**	28,309
Net cash used in operating activities		**(957,250)**	(2,074,437)
Cash flows from investing activities			
Purchase of property, plant and equipment	*7*	**(3,273)**	(156,581)
Proceeds from sale of property, plant and equipment		**—**	31,838
Amount paid for capitalised deferred mine exploration cost	*6*	**(1,860,332)**	(6,240,154)
Net cash used in investing activities		**(1,863,605)**	(6,364,897)
Cash flows from financing activities			
Interest received / (paid)		**11,678**	(2,488)
Cash proceeds from issue of shares	*8*	**—**	6,134,866
Exercise of share options and warrants	*8, 17*	**238,533**	135,593
Net cash generated from financing activities		**250,211**	6,267,971
Effect of foreign exchange movement on cash		**(167,306)**	(162,152)
Decrease in cash and cash equivalents		**(2,737,950)**	(2,333,515)
Cash and cash equivalents at beginning of year		**7,103,877**	9,437,392
Cash and cash equivalents at end of year		**4,365,927**	7,103,877

The notes on pages 15 to 35 form an integral part of these consolidated financial statements.

Notes

forming an integral part of the consolidated financial statements for the year ended 31 March 2015

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 28 September 2015.

(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 12) 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 2015.

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.

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 remeasured 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.

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 capitalized 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.

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 capitalized costs will be transferred from development properties to producing properties on the Consolidated Statement of Financial Position and will be amortized 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 capitalization 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.

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:

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.

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.

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 amortization. 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.

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:

New/Revised International Accounting Standards / International Financial Reporting Standards (IAS/ IFRS)	**Effective date (accounting periods commencing on or after)**
New/Revised International Financial Reporting Standards (IAS/IFRS)	EU Effective Date (accounting periods commencing on or after)
IFRS 9 Financial Instruments	Not yet endorsed IASB effective date 1 January 2018
IFRS 14 Regulatory Deferral Accounts	Not yet endorsed IASB effective date 1 January 2016.
IFRS 15 Revenue from Contracts with Customers	Not yet endorsed
IASB effective 31 December 2017	
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception *(issued on 18 December 2014)*	Not yet endorsed IASB effective date 1 January 2016
Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014)	Not yet endorsed IASB effective date 1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle (*issued on 28 September 2014*)	Not yet endorsed IASB effective date 1 January 2016
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014)	Not yet endorsed IASB effective date 1 January 2016 to be amended
Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on 12 August 2014)	Not yet endorsed IASB effective date 1 January 2016
Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014)	Not yet endorsed IASB effective date 1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)	Not yet endorsed IASB effective date 1 January 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014)	Not yet endorsed IASB effective date 1 January 2016

Standards not yet effective, but available for early adoption	Effective date (accounting periods commencing on or after)
Amendments to IAS 19: Defined Benefit Plans: Employee Contributions (issued on 21 November 2013)	1 February 2015
Annual Improvements to IFRSs 2010-2012 Cycle (issued on 12 December 2013)	1 February 2015
Annual Improvements to IFRSs 2011-2013 Cycle (issued on 12 December 2013)	1 January 2015
IFRIC Interpretation 21 Levies (issued on 20 May 2013)	17 June 2014

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.

4 Loss before finance income / (expense)

Loss before finance income is stated after charging:

Company and Group	**Year ended 31 March 2015 £**	Year ended 31 March 2014 £
Auditors' Fees	**20,778**	47,000
Directors' Fees *(note 17)*	**241,853**	463,279
Depreciation *(note 7)*	**—**	62,143

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.

For mining companies in Sierra Leone, the tax rate is 37.5% subject to additional tax on profits agreed between the Minister of Mines and Mineral Resources and the company. However, the deduction for any year of assessment must not be such that the tax payable will be less than 50% of the tax due if the loss is not carried forward. Losses may be carried over indefinitely. The operating subsidiary in Sierra Leone incurred losses 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 and £377,669 for Cameroon and Sierra Leone, respectively, 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:

	Cameroon £	Sierra Leone £	Total £
Deferred mine exploration costs at 1 April 2014	9,848,303	1,510,074	11,358,377
Costs capitalised during the year	1,531,832	328,500	1,860,332
Depreciation charges capitalised during the year *(note 7)*	88,811	8,521	97,332
Impairment recognised in the year	—	(1,847,095)	(1,847,095)
Balance at 31 March 2015	**11,468,946**	**—**	**11,468,946**

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.

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 previous year. Renewal applications for the remaining licenses for two additional years have been submitted and approved by the government of Cameroon.

During the year ended 31 March 2014, as part of the license renewal negotiations the Group agreed to surrender the portion of its licenses that related to areas within the national parks so that it could retain the full license area for its remaining projects. This resulted in the surrender of the Dja and the majority of the Minko licenses. In line with the Group’s accounting policy for deferred mine exploration costs the balances in relation to these two license areas have been fully impaired with the exception of the remaining 5% retained balance of the Minko licence.

The Group assessed the deferred mine costs, relating to areas for which licenses were still held, for impairment as at 31 March 2015 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 on 19 August 2015 which has been effected by the sale of its entire interest in the share capital of its wholly-owned subsidiary, Ferrous Africa Limited (“FAL”). 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 £
Cost					
At 1 April 2014	136,529	118,735	27,347	377,964	660,575
Additions	—	3,273	—	—	3,273
Write-off	—	—	—	—	—
As at 31 March 2015	**136,529**	**122,008**	**27,347**	**377,964**	**663,848**
Depreciation					
At 1 April 2014	66,596	65,278	8,457	136,552	276,883
Charge for the year – capitalised	20,668	10,474	—	66,190	97,332
Write-off	7,990	7,168	18,890	32,458	66,506
As at 31 March 2015	**95,254**	**82,920**	**27,347**	**235,200**	**440,721**
Net book value					
As at 31 March 2015	**41,275**	**39,088**	**—**	**142,764**	**223,127**
As at 31 March 2014	69,933	53,457	18,890	241,412	383,692

8 Capital and reserves

Capital Management

The Group manages its capital to maximize the return to the shareholders through the optimization of equity. The capital structure of the Group at 31 March 2015 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 2015 and 31 March 2014 or the period to date.

Share capital and premium

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

Each share in the Company confers upon the shareholder:

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

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

Authorised

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

Issued ordinary shares	Date	Issue price	Shares Number	Share capital £	Share premium £
At 31 March 2013	287,990,252	—	59,626,661		
Exercise of option *(note 15)*	21/06/2013	£0.25	166,666	—	41,667
Fair value of options exercised *	—	—	13,783		
Exercise of warrants *(note 15)*	17/09/2013	£0.10	939,261	—	93,926
Fair value of warrants exercised *	—	—	42,919		
Fund raising *(first part)*	05/02/2014	£0.07	52,797,738	—	3,695,842
Fund raising *(second part)*	12/02/2014	£0.07	34,843,206	—	2,439,024
At 31 March 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**

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

Foreign currency translation reserve

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

Share options and warrants reserve

These reserves comprise the fair value of options and warrants in issue as at 31 March 2015. A reconciliation and methodology used in determining the fair values are set out in note 15.

Dividends

No dividends were declared or proposed by the Directors during the year (31 March 2014: £Nil).

9 Goodwill

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

	Cameroon £	Sierra Leone £	Total £
Acquisition of Ferrum	643,706	214,569	**858,275**
Impairment recognised during the year	(214,569)	—	**(214,569)**
Balance at 31 March 2014	**429,137**	**214,569**	**643,706**
Impairment recognised during the year	—	(214,569)	**(214,569)**
Balance at 31 March 2015	**429,137**	**—**	**429,137**

On 21 August 2015 the Company announced its withdrawal from Sierra Leone, which has been effected by the sale 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 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 2015 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.

10 Investment in subsidiary undertakings

As at 31 March 2015, the Group had the following subsidiaries:

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

* Held directly by WAFM. All other holdings are indirect

The consolidated financial statements include the results of the subsidiaries from the date that control is obtained to 31 March 2015 or the date that control ceases.

11 Exploration permits

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

	Cameroon £	Sierra Leone £	Total £
Acquisition of initial interest in Ferrum Resources	6,002,990	2,371,151	8,374,141
Acquisition of initial interest in CMC Guernsey	3,424,052	—	3,424,052
Impairment of exploration permits	(3,142,327)	—	(3,142,327)
Balance at 31 March 2014	**6,284,715**	**2,371,151**	**8,655,866**
Impairment of exploration permits	—	(2,371,151)	(2,371,151)
Balance at 31 March 2015	**6,284,715**	**—**	**6,284,715**

On 21 August 2015 the Company announced its withdrawal from Sierra Leone, which has been effected by the sale 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 2015 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.

12 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 2015, 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
31 March 2015	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)
31 March 2014	Cash	3,854,801	2,315,641	188,616,783	237,700
	Accounts receivable	—	—	146,170,631	184,208
	Accounts payable	(1,688)	(1,014)	(14,129,753)	(17,807)

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).

Pound sterling against:	**31 March 2015 £**	31 March 2014 £
USD	**114,223**	210,421
XAF	**124,119**	36,736

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 2015 £**	31 March 2014 £
USD	**26,447**	3,707
XAF	**(193,752)**	(165,859)

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.

13 Trade and other receivables

	31 March 2015 £	31 March 2014 £
Prepayments	**60,919**	60,454
VAT	**100,360**	81,617
Other debtors	**59,277**	74,978
	220,556	217,049

14 Trade and other payables

	31 March 2015 £	31 March 2014 £
Trade payables	**81,289**	73,919
Accrued expenses	**20,000**	59,705
Other creditors	**730**	15,341
	102,019	148,965

15 Share options and warrants

Share warrants

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

Recipient	Grant Date	Term in years	Exercise Price	01 April 2014	Issued	Exercised	Lapsed	31 March 2015	FV of warrants in issue at year end	Expensed during the year
									£	£
Ferrum warrant holders[1, 3]	09/01/12	5	24.40p	11,456,000	—	—	—	11,456,000	382,637	—
Advisors[2, 3]	09/01/12	5	10.00p	1,878,523	—	—	—	1,878,523	85,838	—
Consultants[4]	02/04/12	5	25.00p	1,400,000	—	—	—	1,400,000	68,740	7,638
Shareholders[5]	25/05/13	5	40.00p	1,000,000	—	—	—	1,000,000	43,244	—
Shareholders[5]	14/02/14	2-3	10.00p	43,820,473	—	—	—	43,820,473	533,995	—
				59,554,996	**—**	**—**	**—**	**59,554,996**	**1,114,454**	**7,638**

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.

	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 (%)[2]	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 Guilt Strips*

Share options

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

Recipient	Grant Date	Term in years	Exercise Price	01/04/2014	Issued	Lapsed/ cancelled	Exercised	31/03/2015	Expensed during the year	Fair value
									£	£
Directors	26/03/12	10	25.00p	1,500,000	—	(1,500,000)	—	—	—	—
Directors	24/04/12	10	25.00p	4,700,000	—	(4,700,000)	—	—	—	
Consultant	01/05/12	10	40.13p	400,000	—	(400,000)	—	—	—	—
Consultant & employees	15/06/12	10	55.00p	400,000	—	(400,000)	—	—	—	—
Consultant & employees	01/11/12	10	65.00p	290,934	—	(290,934)	—	—	—	—
Directors and consultants	14/05/14	10	7.00p	—	21,500,000	(7,050,000)	—	14,450,000	172,639	323,238
				7,290,934	**21,500,000**	**(14,340,934)**	**—**	**14,450,000**	**172,639**	**323,238**

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.

On 19 May 2014, Brad Mills was appointed Executive Chairman of the Company with immediate effect. Jim Mellon will remain on the Board as a non-executive Director. Denham Eke resigned from the Board but will remain as CFO. Both Mr Mellon and Mr Eke have accordingly relinquished their recent share option awards, amounting to 7,050,000 shares.

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 (%)[1]	40%
Risk-free interest rate (%)[2]	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 Guilt Strips*

Share Option Scheme

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

16 Segment reporting

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

	Cameroon £	Sierra Leone £	Corporate £	Total £
Deferred mine exploration costs *(note 6)*	11,468,946	—	—	11,468,946
Exploration permit *(note 11)*	6,284,715	—	—	6,284,715
Other non-current assets	652,264	—	—	652,264
Current assets	294,591	2,465	4,289,427	4,586,483
Total liabilities	(1,905)	(1,179)	(98,935)	(102,019)
Finance expense	—	—	11,678	11,678
Expenses	(113,985)	(4,569,890)	(902,520)	(5,586,395)
Net loss	(113,985)	(4,569,890)	(890,842)	(5,574,717)
Other comprehensive (loss) / profit	(193,753)	26,447	—	(167,306)

17 Related party transactions

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

Key management personnel

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

	Expense recognised during the year		Outstanding at the end of the year	
Company	**31 March 2015 £**	31 March 2014 £	**31 March 2015 £**	31 March 2014 £
Brad Mills	**79,232**	106,850	**653**	12,794
Anton Mauve	**115,110**	155,440	**653**	7,490
Stephen Dattels *(resigned 17 July 2013)*	**—**	18,539	**—**	—
Denham Eke *(resigned 21 May 2014)*	**12,655**	80,137	**—**	9,596
James Mellon	**17,244**	21,250	**653**	2,656
Gerard Holden	**17,612**	21,250	**837**	—
Gualtiero Giori *(resigned 30 April 2013)*	**—**	1,771	**—**	—
Subsidiaries				
Richard Garnett *(resigned 07 November 2013)*	**—**	58,042	**—**	—
	241,853	463,279	**2,796**	32,536

Directors fee restructure:

In the Financial Report for the year ended 31 March 2014, as announced on 29 September 2014 (''Annual Results''), the Company reported that as part of a cash-saving exercise implemented across the Group, the directors of the Company shall be paid 50% of their salary (and 20% in the case of Anton Mauve) by the issue of new ordinary shares (''New Shares'') 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. The arrangements were to be with effect from 1 January 2014 and in respect of Gerard Holden from 1 May 2014.

In accordance with this previously stated practice of Directors receiving New Shares of the Company as payment in lieu of fees, the Board approved the New Shares be allotted as due to the Directors in respect of the 12 months ended 31 December 2014. As announced on the 27 February 2015 the total amount to be settled in New Shares was £238,533, this was satisfied by the issue of 4,420,715 New Shares (in aggregate representing 1.17% of the issued share capital on that date), further details of which are set out in the table below:

Director	Accrued fees settled in New Shares	Issue price of New Shares	No. of New Shares issued	Total Shareholding following the issue of the New Shares	% Shareholding in the enlarged issued share capital
Bradford Mills	£51,757	5.4p	958,377 (Note 4)	43,655,233 (Note 4)	11.45%
Anton Mauve	£30,250 (Note 1)	5.4p	559,848 (Note 5)	43,056,704	11.30% (Note 5)
Jim Mellon	£149,443 (Note 2)	5.4p	2,759,621 (Note 6)	26,015,591	6.83% (Note 6)
Gerard Holden	£7,083 (Note 3)	5.0p (Note 3)	142,869 (Note 7)	142,869 (Note 7)	0.04%

Notes:

Note 1 The amount due comprises £4,250 owed direct to Anton Mauve and a further £26,000 owed to Metallogenic Mining Limited (“MML”), a company in which Anton Mauve is beneficially interested and which provides services to the Company.

Note 2 The amount due comprises £10,625 owed direct to Jim Mellon, £38,818 to Galloway Limited (“Galloway”) and a further £100,000 owed to Burnbrae Limited (“Burnbrae”) and its staff, which provides accounting, administration and office services to the Company. Galloway and Burnbrae are indirectly wholly-owned by the trustee of a settlement under which James Mellon has a life interest.

Note 3 The arrangements commenced on 1 May 2014. The average VWAP is therefore calculated over a different period to the other Directors.

Note 4 Brad Mills’ interest following the issue of the New Shares comprises 1,158,377 Shares that he owns directly; and a further 42,496,856 Shares that are owned by Plinian Guernsey Limited (“Plinian”), of which Brad Mills is the controlling shareholder, and includes 10,142,858 Shares that are owned by CE Mining, which is 50 per cent. owned by Plinian.

Note 5 78,405 New Shares have been issued to Anton Mauve and 481,443 New Shares to MML. Anton Mauve’s interest following the issue of the New Shares comprises 78,405 Shares that he owns directly; 481,443 Shares that are owned by MML; and a further 42,496,856 Shares that are owned by Plinian, of which Anton Mauve is a shareholder, and includes 10,142,858 Shares that are owned by CE Mining, which is 50 per cent. owned by Plinian.

Note 6 196,013 New Shares have been issued to Jim Mellon, 718,783 New shares to Galloway and 1,844,825 New Shares have been issued to Burnbrae. Following the issue of the New Shares, Galloway will own 23,291,082 Shares; Burnbrae will own 1,844,825 Shares; and in addition, James Mellon will be interested in a further 879,684 Shares of the Company held in his own name.

Note 7 Gerard Holden will hold his New Shares directly.

As discussed in note 15, the Board of Directors may issue share options or warrants to persons/company who provide services to the Group. The following table is a reconciliation of warrants and options in issue to key personnel as at 31 March 2015. The value of these warrants/options is commensurate with the value of services provided to the Company.

Name	at 1 April 2014	Granted	Exercised	Lapsed	at 31 March 2015
Brad Mills	2,800,000	4,700,000	—	(2,800,000)	4,700,000
Anton Mauve *(resigned 2 June 2015)*	1,400,000	4,700,000	—	(1,400,000)	4,700,000
James Mellon	500,000	2,350,000	—	(2,850,000)	—
Denham Eke *(resigned 21 May 2014)*	1,000,000	4,700,000	—	(5,700,000)	—
Gerard Holden	500,000	2,350,000	—	(500,000)	2,350,000

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

	Number of Ordinary Shares	Percentage of Issued Capital
Brad Mills *(note 18)*	43,655,233	11.45%
Anton Mauve *(Resigned 2 June 2015)*	43,056,704	11.30%
James Mellon *(note 18)*	26,015,591	6.83%
Gerard Holden *(note 18)*	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 £91,527 (2014: £99,953) under this agreement of which £16,527 was outstanding at end of the year (2014: £25,000).

18 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[1]	117,466,234	30.82%	116,966,234	30.69%
Panetta Partners Limited	57,559,775	15.10%	57,559,775	15.10%
Bradford Mills[2]	43,655,233	11.45%	43,655,233	11.45%
Plinian Capital Limited	42,496,856	11.15%	42,496,856	11.15%
Rosy Mining Limited[3]	35,889,079	9.42%	35,889,079	9.42%
Regent Mercantile Holdings Limited	32,672,906	8.57%	32,672,906	8.57%
James Mellon[4]	26,015,591	6.83%	26,015,591	6.83%
Generation Resources Limited	14,360,340	3.77%	14,360,340	3.77%

Notes:

1. This holding includes the shares held by Rosy Mining Limited (referenced below)
2. 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.
3. Rosy Mining Limited shares are held by Beaufort Nominees Limited.
4. includes 23,291,082 shares held by Galloway Limited (a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest) and 1,844,825 Shares held by Burnbrae Limited (a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest). The balance of James Mellon's shareholding (879,684) is held in Mr Mellon's own name

19 Basic and diluted loss per share

The calculation of basic loss per share of the Group is based on the net loss attributable to shareholders for the year of £ 5,574,717 (2014: £8,366,838) and the weighted average number of shares outstanding of 377,124,693 (2014: 300,919,104).

Weighted average number of ordinary shares

	31 March 2015	31 March 2014
Issued ordinary shares at 01 April	**376,737,123**	287,990,252
Effect of shares issued for cash	**—**	12,297,832
Effect of share options exercised	**—**	129,223
Effect of share warrants exercised	**—**	501,797
Effect of shares issued to Directors	**387,570**	—
Weighted average number of ordinary shares	**377,124,693**	300,919,104

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 2015 and 2014, there is no dilutive effect because the Group incurred net losses in both periods. Therefore, basic and diluted earnings per share are the same.

20 Commitments and contingent liabilities

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

21 Subsequent events

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

On 1 June 2015 Willy Simon and Andrew Gutmann were appointed as non-executive Directors of the Company.

On 21 August 2015 the Board of WAFM announced that it has 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. In addition, the buyer has paid a nominal consideration of US$1. Following completion, the Company has no further interests in Sierra Leone and no further financial liabilities in respect of the Sierra Leone licences.