18 June 2018

KEFI Minerals plc
(“KEFI” or the “Company”)

Results for the year ended 31 December 2017 and Notice of AGM

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce its financial results for the year ended 31 December 2017.

Harry Adams, Chairman of KEFI Minerals commented:

“2017 was a challenging year, but we now stand with assets, relationships and people that provide a great platform to deliver shareholder value by developing profitable mines in Ethiopia and Saudi Arabia. KEFI Minerals is at the forefront of the minerals sector in one of the world’s great under-developed minerals provinces – the Arabian-Nubian Shield.

“Our primary focus remains on our flagship Tulu Kapi Gold Project for which we have now assembled the proposed full project funding consortium including contractors, equity and non-equity capital. For Tulu Kapi to proceed, all stakeholders now rely on closing out the remaining Government processes and approvals, along with completion of due diligence and formal documentation. It is planned that the financing of the Tulu Kapi Gold Project will be entirely at the project level, with KEFI retaining a beneficial ownership interest in the order of 54% and the balance being held by the Ethiopian Government and other Ethiopian investors.

“The coming months are expected to be a busy and exciting time for KEFI as we move towards financial close of the Tulu Kapi project funding and I look forward to providing regular updates on our progress.”

Notice of AGM and Annual Report

The Annual General Meeting (“AGM”) of the Company will be held at 11:00am on Thursday 12 July 2018 at The Great Russell Suite, The Montague on The Gardens Hotel, 15 Montague Street, London, WC1B 5BJ. Information on the resolutions to be considered at the AGM can be found in the Notice of AGM that has been made available to shareholders of the Company as an electronic communication along with forms of proxy and direction (the “AGM materials”) as well as the Annual Report and Accounts for the year ended 31 December 2017 (the “Annual Report”). The AGM materials and Annual Report are available on KEFI’s website at www.kefi-minerals.com.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

All references in this announcement to $ are US$

Enquiries

KEFI Minerals plc

Harry Anagnostaras-Adams (Executive Chairman)	+357 99457843
John Leach (Finance Director)	+357 99208130

SP Angel Corporate Finance LLP (Nominated Adviser)	+44 20 3470 0470
Ewan Leggat, Jeff Keating, Soltan Tagiev	
Brandon Hill Capital Ltd (Joint Broker)	+44 20 7936 5200
Oliver Stansfield, Jonathan Evans	
Cantor Fitzgerald Europe (Joint Placement Agent)	
Keith Dowsing/David Porter/Peter Malovany/	+44 20 7894 7000
RFC Ambrian Ltd (Joint Broker)	+44 20 3440 6817
Charlie Cryer	
IFC Advisory Ltd (Financial PR and IR)	+44 20 3934 6630
Tim Metcalfe, Heather Armstrong	

Further information can be viewed at www.kefi-minerals.com

Notes to Editor

Ethiopian Political Developments

Ethiopia is currently undergoing a fast, smooth and remarkable transformation both politically and economically. Last week, the two month old government announced three major decisions. Firstly, it lifted the state of emergency which lasted for three months. Secondly, it accepted the Algiers Agreement peace deal in a bid to end a 20 year stalemate with its neighbour Eritrea. Finally, the Government announced the liberalisation of the economy with the decision to privatise major state owned businesses including Ethiopian Airlines, Ethiopian Telecoms and the Ethiopian Electricity and Power companies.

KEFI Minerals plc

KEFI is the operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 1.93Moz (100% of Tulu Kapi's 1.72Moz and 40% of Jibal Qutman's 0.73Moz) gold Mineral Resources (JORC 2012) plus significant resource growth potential. KEFI targets that production at these projects generates cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.

KEFI Minerals in Ethiopia

The Tulu Kapi gold project ("Tulu Kapi") in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code (2012) and subjected to reviews by appropriate independent experts.

A Preliminary Economic Assessment has been published that indicates the economic attractiveness of mining the underground deposit adjacent to the Tulu Kapi open pit, after the start-up of the open pit and after positive cash flows have begun to repay project debts. An area of 1,100 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

KEFI Minerals in the Kingdom of Saudi Arabia

In 2009, KEFI formed G&M in Saudi Arabia with local Saudi partner, Abdul Rahman Saad Al Rashid & Sons Company Limited ("ARTAR"), to explore for gold and associated metals in the Arabian-Nubian Shield. KEFI has a 40% interest in G&M and is the operating partner.

To date, G&M has conducted preliminary regional reconnaissance and has had five exploration licences ("ELs") granted, including Jibal Qutman and the Hawiah EL that contains over 6km strike length of outcropping gossans developed on altered and mineralised rocks with all the hallmarks of a copper-gold-zinc VHMS deposit.

At Jibal Qutman, Mineral Resources are estimated to total 28.4Mt at 0.80g/t gold for 733,045 contained ounces. The shallow oxide portion of this resource is being evaluated as a low capital expenditure heap-leach mine development.

ARTAR, on behalf of G&M, holds over 20 EL applications. ELs are renewable for up to three years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

The Kingdom of Saudi Arabia has announced policies to encourage minerals exploration and development, and KEFI Minerals supports this priority by serving as the technical partner within G&M. ARTAR also serves this government policy as the major partner in G&M, which is one of the early movers in the modern resurgence of the Kingdom's minerals sector.

Executive Chairman’s Report

It has been a challenging year and we now stand with assets, relationships and people that provide a great platform to deliver shareholder value by developing profitable mines in Ethiopia and Saudi Arabia. KEFI Minerals is at the forefront of the minerals sector in one of the world’s great under-developed minerals provinces – the Arabian-Nubian Shield (“ANS”). KEFI has, in the past year, begun the process of transforming its structure in preparation for the task ahead. We now have responsibilities wider than when we focused on exploration and we have been entrusted by the consortium of parties now assembled around KEFI for the development of the Tulu Kapi Gold Project in Ethiopia.

Tulu Kapi remains our primary focus and KEFI has assembled the proposed full project funding consortium including contractors, equity and non-equity capital. For Tulu Kapi to proceed, all stakeholders now rely on closing out the remaining Government processes and approvals, along with completion of due diligence and formal documentation. We work hard with the community of Tulu Kapi, the Regional Government of Oromia, project contractors Lycopodium and Ausdrill, the infrastructure financier and our Ethiopian investment partners - the Government of Ethiopia and also a syndicate of private sector investors.

Over the past 18 months, political changes in Ethiopia caused some delays and it is today pleasing to see a rapid and smooth transition to new national leadership with widespread support in Ethiopia and what appears to be a progressive attitude to reform on various fronts. Throughout these recent political changes KEFI and our consortium for Tulu Kapi remained steadfast and took the opportunity to improve project plans.

We improved project economics by bringing forward planned operating cash flows to increase annual gold production from 115,000 to 140,000 ounces for the first seven years. We also took the opportunity with our financial advisers to significantly lower financing costs from an indicative 14% to an indicative 7% by simplifying the financial structure. Current indications are subject to market conditions and to completion of due diligence.

Economic estimates for 100% of Tulu Kapi at US$1,300/oz are for average net cash flow (after debt repayments and all other planned commitments) of $32 million per annum. All-in Sustaining Costs ("AISC") remain c. US$800/oz and All-in Costs ("AIC") c. $1,000/oz. Tulu Kapi's Ore Reserves of 1.0 million ounces and Mineral Resources of 1.7 million ounces have significant upside potential.

In both Ethiopia and Saudi Arabia, we have applied for regulatory permission for exploration concurrently with the development of Tulu Kapi.

Development-Ready Gold Mine - Tulu Kapi

As part of the process of arranging funding, the project consortium refined Tulu Kapi's detailed development and operating plans, all incorporated into the 2018 Plan and KEFI's financial targets for the open-pit project now include:

- Gold production of 140,000 ounces per annum for seven years;
- At a flat average gold price of $1,300/oz for all eight years of gold production:
  - All-in Sustaining Costs of less than $800/oz (ignoring financing charges);
  - After-tax, leveraged IRR of 51%;
  - After-tax, leveraged NPV (8% discount rate) of $115 million at start of construction;
  - After-tax, leveraged NPV (8% discount rate) of $192 million at start of production; and
  - Payback of 3 years.
- A 50% increase in NPV results from either a 10% increase in gold price or a 10% increase in plant throughput.

The 2018 Plan reflects, among other things, a fixed price, lump-sum processing plant design and supply contract with Lycopodium and a warranted ore processing rate of 1.9-2.1 million tonnes per annum. The plant assembly aspect of the development is planned as a reimbursable cost-based arrangement with incentives and penalties for performance.

KEFI bases the finance structure on the numbers and schedules in the 2018 Plan which is for the open pit only. We have also run a range of sensitivity analyses to ensure robust debt-service coverage under a range of scenarios. The plans and numbers have also been reviewed in detail by the Independent Technical Expert for the bond investors.

Significant value is also expected to be added from the contemplated underground mine.

Strong Support from Ethiopian Government for Tulu Kapi Development

Responsible mine development is the overriding priority for KEFI and our partner the Ethiopian Government. We target to bring Tulu Kapi into production as rapidly as we prudently can whilst ensuring compliance with all relevant governance and quality standards.

Notably in May 2017, the Government further demonstrated its support by executing the formal documentation for its equity capital contribution of $20 million to Tulu Kapi's development. This investment will increase the Government's share of the project from a 5% free-carried interest to a little over 20%, depending on the final financing structure.

Unfortunately, Ethiopia has been experiencing the strains of being one of the highest growth countries in the world. This has resulted in two separate States of Emergency being declared in the past 18 months, both of which have since been lifted. KEFI Minerals' operational activities have continued and appropriate security precautions instituted as required although Government administrative procedures have suffered delays.

The Government has welcomed KEFI's plans to explore the district around Tulu Kapi so as target a longer life to this planned development. In October 2017, KEFI received confirmation from the Ethiopian Government that the area proposed to be explored by KEFI has been set aside with the intention of being granted to KEFI upon commencement of development of Tulu Kapi. This Exploration Licence Application ("ELA") covers an area in excess of 1,000 km^2 with known gold prospects within c. 50km of Tulu Kapi, which is considered an economic trucking distance to the planned processing plant.

Exploration Opportunities

The ANS has been the Company's primary focus since 2008 when it was invited to be the operator of an exploration joint venture in the Kingdom of Saudi Arabia. Our experience since then has reinforced our excitement by the opportunity provided and we have worked hard to establish our pole position in the region.

KEFI is fortunate to have c. 3,000 km^2 portfolio of exploration properties at various stages within the highly prospective ANS. We are aiming to commence an aggressive exploration program later this year in each country, to advance in parallel with the development at Tulu Kapi.

We demonstrated the prospectivity of our tenements by discovering gold at Jibal Qutman in Saudi Arabia and quickly delineating Mineral Resources totalling 733,000 ounces of gold. Further drilling has a very good chance of increasing oxide gold resources on the granted Exploration Licence ("EL") and surrounding ELs.

KEFI also has a set of volcanogenic massive sulphide ("VMS") copper-gold prospects near Tulu Kapi in Ethiopia and in the Wadi Bidah Mineral District ("WBMD") near the Hawiah prospect in Saudi Arabia. As usual since our entry into Saudi Arabia in 2008, the tenement applications are made by ARTAR on behalf of our joint venture company Gold & Minerals Limited ("G&M"), which is 40% KEFI and 60% ARTAR). This has proved efficient for a number of reasons and KEFI has the right to instruct that the tenements be transferred to G&M.

At Hawiah, a huge VMS copper-gold target has been identified based on the surface-sampling of a six-kilometre long gossan (oxidised mineralisation exposed on the surface) and the strong geophysical anomalies beneath the gossan.

In Ethiopia, we are also keen to test VMS prospects on our application areas under KEFI subsidiary KEFI Minerals (Ethiopia) Limited ("KME") in which past explorers found high-grade copper and gold more than 40 years ago but have not been followed up since then.

Capital Management

The business model of the Company has always been to raise equity capital to fund the next stage of exploration and development. At the same time, KEFI has worked hard to minimise Tulu Kapi's development funding requirements through engineering, contracting and project finance, which have been designed holistically to provide an economically robust project and a befitting financing plan. Nearly all capital requirements are planned to be met at the project level.

KEFI unfortunately has also had to issue equity at the parent company level at disappointingly low share prices. Having said that, the Company's projections and those of the research analysts that follow us closely show significant value generating upside to shareholders from Tulu Kapi alone, let alone from the pipeline of less mature projects which we expect will yield more value-adding opportunities.

On 15 June 2018 KEFI announced a capital-raising for £5.5 million ($7.4 million) to fund finance closing costs and early project works in preparation for full finance drawdown and development activities targeted for implementation after the end of the Ethiopian wet season in September 2018. The proceeds from the capital-raising in combination with existing cash, project equity and the working capital facility from certain existing stakeholders will ensure that the Company is fully funded until December 2018 and will enable KEFI to close the Tulu Kapi Project financing, subject to approvals by all stakeholders and formal documentation.

Our Annual General Meeting will be at 11h00 on 12 July 2018 and we will introduce some of our new senior management team, all of whom are shareholders and take much of their remuneration in shares.

KEFI Being Prepared for Development and Operations

As KEFI Minerals prepares to develop Tulu Kapi, the Company's senior management team was expanded in early 2018 with the appointments of:

- David Munro as Head of Operations – a mining engineer who previously was Managing Director of Billiton BV and President Strategy and Development of BHP Billiton;
- Eddy Solbrandt as Head of Systems – the founder of GPR Dehler, an independent, international management consultancy which specialises productivity improvement for mining companies worldwide; and
- Brian Hosking as Head of Human Resources and Technical Planning – originally a geologist, he has focussed on human resources for the mining industry and has provided remuneration advice, management assessment and executive search to a wide range of clients.

This expands the senior executive team with individuals providing the senior operational leadership required for the Company to support the operating teams on the ground.

It remains an exciting time to be developing a new gold mine and many quality people have been earmarked to join our project as the Company enters the development phase. A recent appointment was the senior site services manager to oversee the Company's social performance team for community programs as part of the role.

Outlook

KEFI's vision is to capitalise on its pole position in both Ethiopia and Saudi Arabia and, in the long term, to become a successful dividend-paying explorer and developer in the ANS which, first and foremost, honours all its obligations and then proceeds to provide benefits to today's generation within the community in a manner which enhances opportunities for future generations.

KEFI Minerals is the operator of two potentially high-growth joint-ventures, well positioned to pursue prudent project development whilst continuing to add value through targeted exploration.

Pre-works for Tulu Kapi have already commenced and our base case schedule for first gold production from Tulu Kapi is 24 months from drawdown of the full project funding package, with incentives to start up earlier.

Initiatives on both sides of the Red Sea reflect our conviction that the ANS has world-class prospectivity overseen by governments that have put a strategic priority on the mining sector. Both Ethiopia and Saudi Arabia have this year installed younger national leaders who are demonstrably pro-development.

The KEFI team is looking forward to mine development commencing as soon as practical. KEFI's collaborative approach with contractors, community and other stakeholders during the planning phase should put us in good stead to work through the inevitable challenges as the project progresses.

We have achieved this progress with a very small team around whom we will build the full operating team in conjunction with the project contractors, both of whom have over 20 years of mine building experience in Africa. We are also well supported by a number of high calibre, quality specialist advisers also selected for their pre-eminence in start-ups of this nature. The finance plan remains subject to completion of all Government approvals and processes, due diligence and documentation.

You will perhaps have noticed that, whilst this Annual Report has been issued before the end of June 2018 as required, we delayed its release so that it could capture and duly report material recent events. On behalf of the Directors, I thank all staff, shareholders and other stakeholders for your patience and support and I look forward to providing a further update on our progress at the Annual General Meeting in London.

Harry Anagnostaras-Adams

Executive Chairman

Finance Director's Report

KEFI's strategy is to maximise shareholder value through the development of a focused portfolio of mining operations and projects at various stages, while at the same time managing the risks faced by companies in the exploration and development stage.

Our risk management approach places a clear focus on discovering and exploiting mineral wealth through multiple ventures within a focused framework, thus increasing the odds of success. We introduce partners and contractors in certain circumstances to minimise risk and broaden the human and financial resources available.

KEFI minimises expenses while maintaining momentum towards becoming a gold producer. We run our corporate office in Nicosia at a fraction of what the cost would be in London. Other than our financial controller, all staff are based at the sites for project or finance works. In order to help reduce cash outflows and align interests, some employees, Directors and consultants have taken, and continue to take, KEFI shares in lieu of a significant portion of salary or fees.

Equity Funding

KEFI Minerals has to date financed its activities through periodic equity capital raisings and contributions by partners.

In March 2017, shareholders approved a fundraising comprised of:

- £0.6 million placing of equity by Brandon Hill Capital;
- £0.4 million subscription by certain of the Directors, employees and Lycopodium; and
- £1.9 million received from Lanstead Capital during 2017.

Following the completion of the March 2017 fundraising and associated consolidation of the Company's capital on a 17-for-1 basis, KEFI had a total of 332.7 million Ordinary Shares on issue.

A key aspect of the March 2017 fundraising was that the subscription by Lanstead was subject to a Sharing Agreement which allowed KEFI to potentially benefit financially from positive share price performance, whilst limiting the financial downside risk from a negative share price performance. The actual funds to be received during 2017 and 2018 were therefore variable with respect to average share market price in each month.

The number of Ordinary Shares issued to Lanstead under the Sharing Agreement was fixed up-front at 82.4 million Ordinary Shares. Whilst the share price underperformed, the Lanstead Sharing Agreement underpinned the Company's expenditure for 2017 and KEFI received a total of £1.9 million from Lanstead during 2017. The sharing agreement will expire in July 2018.

The Company also received VAT refunds of c. £2.5 million from the Government of Ethiopia during 2017.

On 15 June 2018 the company closed a share placing of £5.5 million, which consisted of £3million in cash and £2.5 million for the reduction of creditors and other outstanding amounts. The placing is in two tranches. The first tranche of £1.5 million was completed immediately (for cash) and the second tranche of £4.0 million (for cash and creditor reduction) is subject to approval of shareholders at the General Meeting on 2 July 2018.

In addition, the company previously announced on 11 June 2018, that it had reached agreement in principle with an Ethiopian investment syndicate for a proposed acquisition of a 30% ownership interest in KEFI's wholly-owned subsidiary KEFI Minerals (Ethiopia) Limited ("KME") and holder of the Company's interest in the Tulu Kapi Gold Mines Share Company Limited ("TKGM"). Under the proposed terms, which remain subject to final documentation and government approval, the syndicate will invest US$30 million in local currency (Birr) equivalent of which US$9 million will be invested in August 2018 and the balance upon closing of long term project finance.

Partnering the Government in Ethiopia and ARTAR in Saudi Arabia

In 2017, KME and the Government of Ethiopia formed Tulu Kapi Gold Mines Share Company Limited ("TKGM") as the project company for developing Tulu Kapi. The exploration projects outside the Tulu Kapi Mining Lease area are not part of TKGM and remain 100% owned by KME.

Based on current estimates of capital spending and capital contributions, KEFI will be majority owner of KME. Upon closing of project finance, the ownership of the Tulu Kapi Gold Project via TKGM would be circa 23% by the Ethiopian Government and 77% by KME. KME would be owned 70% by KEFI (equivalent of 54% of TKGM) and 30% by the Ethiopian investment syndicate (equivalent of 23% of TKGM).

In February 2018, the Ethiopian Ministry of Mines, Petroleum and Natural Gas formally transferred the Mining Licence from KME to TKGM. The TKGM Board has approved the business plan for the mine development to commence as soon as financing is implemented. A key feature of the TKGM business plan is for local people to be trained as the operators, with over 1,000 jobs being created through the region around Tulu Kapi during construction.

In the Kingdom of Saudi Arabia KEFI conducts all its activities through G&M, our joint venture company with Abdul Rahman Saad Al Rashid and Sons Limited ("ARTAR"). KEFI is operator with a 40% interest and ARTAR has 60%. KEFI's is fortunate to have such a strong Saudi group as a partner and G&M has assembled a large and prospective portfolio of exploration licences and applications, help by ARTAR on G&M's behalf. Having made a discovery at Jibal Qutman, the joint venture looks forward to development and expansion in the minerals sector which the Saudi Government has made a national strategic priority.

Tulu Kapi Development Funding

The Tulu Kapi Gold Project consortium now includes KME, the Government of Ethiopia, the project contractors Lycopodium Limited and Ausdrill Limited, a syndicate of Ethiopian equity investors and the infrastructure financier.

In May 2018, KEFI announced that it formally mandated the bond arranger for the placement of $160 million of Listed Infrastructure Bonds (the "Bonds"), after having worked together for some twelve months.

Upon successful completion of due diligence, documentation and private placement of the Bond issue, the planned Luxembourg-listed Bonds will fund ownership by KEFI's Luxembourg-regulated Finance SPV of the gold processing plant and ancillary infrastructure at the Tulu Kapi Gold Project for lease to TKGM.

Conditions of the funding package include:

- equity into the project of $20 million from the Government of Ethiopia (as already formally committed);
- further equity into the project of $20-30 million (KEFI has agreed in principle for $30 million with a local investment syndicate);
- completion of Government approvals and processes, including the financing agreements and security arrangements and the registration by the relevant Ethiopian authorities of the equity capital that has already been invested by KME of c. $60 million; and
- that KEFI remain controlling shareholder of TKGM and that its senior executive team oversee the planning and controls at TKGM.

Drawdown of the infrastructure finance will be timed to accommodate project construction activities.

The infrastructure finance Bonds are planned to have a 9-year tenor with a 2.5-year grace period. The overall amount of the funding package provides a safety buffer for contingencies and the Bonds can be prepaid at any time.

Annual debt-service costs during production is c. $27 million per annum versus base case EBITDA of c. $73 million at a gold price of US$1,300/ounce. Net cash flow after debt repayments and all other commitments is estimated at an average of $32 million which will be available for debt prepayments, cash reserves, exploration, development and dividends.

The plant and ancillary infrastructure will be built and its performance guaranteed by Lycopodium Limited, which is one of the leading gold plant specialist engineering groups and has an exemplary track-record in Africa, where it has built many such plants for over 20 years.

The open pit mine will be built and operated by Ausdrill Limited, through its wholly-owned subsidiary, African Mining Services Limited, which has been a leading African mining contractor for over 25 years.

The off-site infrastructure will be built and operated by the Ethiopian Roads Authority and the Ethiopian Electric Power Corporation, both Ethiopian Government entities.

The Ethiopian Finance Ministry and Central Bank has approved tax treatments and capital ratios and we await the remaining approvals.

Statutory Accounts and Reporting

KEFI's financial statements for 2017 are attached and report financial results based, among other things, on the write-off of most historical pre-development expenditure at Tulu Kapi and the write-off of all exploration expenditure. This is not intended to imply Directors' view of the inherent value of Company assets, but merely reflects conservative accounting policy.

In November 2017, KEFI reported that a court ruling by the Federal Supreme Court of Ethiopia eliminated KEFI's potential liability regarding a $12 million damages claim brought in 2014 by third parties in Ethiopia relating to events which took place between 1998 and 2006. In January 2018 KEFI reported a mutual deed of release and settlement with Oryx which ended its involvement with the Tulu Kapi project financing.

John Leach

Finance Director

Competent Person Statement

KEFI Minerals reports in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code 2012").

The information in this announcement that relates to exploration results, Mineral Resources and Ore Reserves is based on information compiled by Mr Jeffrey Rayner. He is the former Exploration Director of KEFI Minerals and a Member of the Australian Institute of Geoscientists ("AIG"). Mr Rayner is a geologist with sufficient relevant experience for Group reporting to qualify as a Competent Person as defined in the JORC Code 2012. Mr Rayner consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Consolidated statement of comprehensive income

Year ended 31 December

	Notes	**Year Ended 31.12.17 £'000**	Year Ended 31.12.16 £'000
Revenue		**-**	-
Exploration costs		**(146)**	(125)

Gross loss		**(146)**	(125)
Administrative expenses		**(2,535)**	(2,190)
Investigatory, pre-decisional project finance transaction costs		**(865)**	-
VAT refund		**-**	2,512
Share-based payments	18	**(93)**	(445)
Share of loss from jointly controlled entity	20	**(286)**	(726)
Operating loss	6	**(3,925)**	(974)
Change in value of financial assets at fair value through profit and loss	15	**(2,280)**	-
Foreign exchange gain/(loss)		**14**	(123)
Finance costs	8	**(85)**	(136)
Finance income	14	**10**	-
Loss before tax		**(6,266)**	(1,233)
Tax	9	**-**	-
Loss for the year		**(6,266)**	(1,233)
Other comprehensive (loss)/income:			
Exchange differences on translating foreign operations		**(398)**	200
Total comprehensive loss for the year		**(6,664)**	(1,033)
Basic and fully diluted loss per share (pence)	10	**(1.987)**	(0.628)

The notes are an integral part of these consolidated financial statements.

Statements of financial position

31 December

	Notes	**The Group 2017**	**The Company 2017**	The Group **2016**	The Company **2016**
ASSETS					
Non-current assets					
Property, plant and equipment	11	**43**	**6**	61	6
Intangible assets	12	**16,232**	**5,191**	13,992	3,939
Fixed asset investments	13.1	**-**	**4,598**	-	4,598
Investments in jointly controlled entities	13.2	**-**	**181**	-	181
		16,275	**9,976**	14,053	8,724
Current assets					
Available for sale financial assets	14	**79**	**-**	95	-
Derivative financial asset at fair value through profit or loss	15	**408**	**408**	-	-
Trade and other receivables	16	**94**	**5,079**	3,056	8,069
Cash and cash equivalents	17	**466**	**121**	410	400
		1,047	**5,608**	3,561	8,469
Total assets		**17,322**	**15,584**	17,614	17,193
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	**5,656**	**5,656**	3,883	3,883
Deferred Shares	18	**12,436**	**12,436**	12,436	12,436
Share premium	18	**18,661**	**18,661**	16,279	16,279
Share options reserve	18	**1,325**	**1,325**	1,474	1,474

Foreign exchange reserve		**(228)**	**-**	170	-
Accumulated losses		**(23,380)**	**(25,072)**	(18,695)	(18,496)
Total equity		**14,470**	**13,006**	15,547	15,576
Current liabilities					
Trade and other payables	21	**2,852**	**2,578**	2,067	1,617
		2,852	**2,578**	2,067	1,617
Total liabilities		**2,852**	**2,578**	2,067	1,617
Total equity and liabilities		**17,322**	**15,584**	17,614	17,193

The notes are an integral part of these consolidated financial statements.

The Company has taken advantage of the exemption conferred by section 408 of Companies Act 2006 from presenting its own statement of comprehensive income. Loss after taxation amounting to £8.2 million (2016: £3.1 million) has been included in the financial statements of the parent company.

On the 18 June 2018, the Board of Directors of KEFI Minerals PLC authorised these financial statements for issue.

Harry Anagnostaras-Adams
Executive Director- Chairman
Company Number: 05976748

John Edward Leach
Finance Director

Consolidated statement of changes in equity

Year ended 31 December 2017

	Attributable to the owners of the Company						
	Share capital	**Deferred shares**	**Share premium**	**Share options reserve**	**Foreign exchange reserve**	**Accumulated losses**	**Total**
At 1 January 2016	2,623	12,436	12,347	1,212	(30)	(17,645)	10,943
Loss for the year	-	-	-	-	-	(1,233)	(1,233)
Other comprehensive income	-	-	-	-	200	-	200
Total Comprehensive Income	-	-	-	-	200	(1,233)	(1,033)
Recognition of share based payments	-	-	-	445	-	-	445
Cancellation of options	-	-	-	(183)	-	183	-
Issue of share capital	1,260	-	4,296	-	-	-	5,556
Share issue costs	-	-	(364)	-	-	-	(364)
At 31 December 2016	**3,883**	**12,436**	**16,279**	**1,474**	**170**	**(18,695)**	**15,547**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(6,266)**	**(6,266)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(398)**	**-**	**(398)**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(398)**	**(6,266)**	**(6,664)**
Transfer realised loss of derivative financial asset (Note 15)			**(1,340)**	**-**	**-**	**1,340**	**-**
Recognition of share based payments	**-**	**-**	**-**	**122**	**-**	**-**	**122**
Forfeited options	-	-	-	**(30)**	**-**	**-**	**(30)**
Cancellation of options	**-**	**-**	**-**	**(241)**	**-**	**241**	**-**
Issue of share capital	**1,773**	**-**	**4,078**	**-**	**-**	**-**	**5,851**
Share issue costs	**-**	**-**	**(356)**	**-**	**-**	**-**	**(356)**
At 31 December 2017	**5,656**	**12,436**	**18,661**	**1,325**	**(228)**	**(23,380)**	**14,470**

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	**Description and purpose**
Share capital	amount subscribed for ordinary share capital at nominal value

Deferred shares	on 16 June 2015, under the restructuring of share capital, ordinary shares of 1p each in the capital of the Company were sub-divided into one new ordinary share of 0.1p and one deferred share of 0.9p
Share premium	amount subscribed for share capital in excess of nominal value, net of issue costs
Share options reserve	reserve for share options granted but not exercised or lapsed
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognized on consolidation
Accumulated losses	cumulative net gains and losses recognized in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income

The notes are an integral part of these consolidated financial statements.

Company statement of changes in equity

Year ended 31 December 2017

	Share capital	Deferred shares	Share premium	Share options reserve	Accumulated losses	Total
At 1 January 2016	2,623	12,436	12,347	1,212	(15,623)	12,995
Comprehensive loss for the year	-	-	-	-	(3,056)	(3,056)
Recognition of share based payments	-	-	-	445	-	445
Cancellation of options	-	-	-	(183)	183	-
Issue of share capital	1,260	-	4,296	-	-	5,556
Share issue costs	-	-	(364)	-	-	(364)
At 31 December 2016	**3,883**	**12,436**	**16,279**	**1,474**	**(18,496)**	**15,576**
Comprehensive loss for the year	**-**	**-**	**-**	**-**	**(8,157)**	**(8,157)**
Transfer realised loss of derivative financial asset (Note 15)	-	-	**(1,340)**	**-**	**1,340**	**-**
Recognition of share based payments	**-**	**-**	**-**	**122**	**-**	**122**
Forfeited options	**-**	**-**	**-**	**(30)**	**-**	**(30)**
Cancellation of options	**-**	**-**	**-**	**(241)**	**241**	**-**
Issue of share capital	**1,773**	**-**	**4,078**	**-**	**-**	**5,851**
Share issue costs	**-**	**-**	**(356)**	**-**	**-**	**(356)**
At 31 December 2017	**5,656**	**12,436**	**18,661**	**1,325**	**(25,072)**	**13,006**

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	**Description and purpose**
Share capital	amount subscribed for ordinary share capital at nominal value
Deferred shares	on 16 June 2015, under the restructuring of share capital, ordinary shares of 1p each in the capital of the Company were sub-divided into one new ordinary share of 0.1p and one deferred share of 0.9p
Share premium	amount subscribed for share capital in excess of nominal value, net of issue costs
Share options reserve	reserve for share options granted but not exercised or lapsed
Accumulated losses	cumulative net gains and losses recognized in the statement of comprehensive income

The notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Year ended 31 December 2017

	Notes	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(6,266)**	(1,233)
Adjustments for:			
Depreciation of property, plant and equipment	11	**24**	55
Share based payments	19	**93**	281
Impairment of intangible asset	12	**-**	266
Issue of warrants	18	**-**	164
Fair value loss to derivative financial asset	15	**2,280**	-
Fair value loss to available for sale		**26**	-
Share of loss from jointly controlled entity	20	**286**	726
Exchange difference		**13**	44
		(3,544)	303
Changes in working capital:			
Trade and other receivables		**2,569**	(2,701)
Trade and other payables		**849**	51
Net cash used in operating activities		**(126)**	(2,347)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deferred exploration costs		**(988)**	(1,189)
Project evaluation costs		**(1,252)**	(1,224)
Acquisition of property plant and equipment		**(6)**	(35)
Advances to jointly controlled entity		**(379)**	(566)
Proceeds from disposal of available for sale asset		**-**	16
Net cash used in investing activities		**(2,625)**	(2,998)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	18	**3,163**	5,556
Issue costs	18	**(356)**	(364)
Net cash from financing activities		**2,807**	5,192
Net increase/(decrease) in cash and cash equivalents		**56**	(153)
Effect of cash held in foreign currencies		**-**	1
Cash and cash equivalents:			
At beginning of the year	17	**410**	562
At end of the year	17	**466**	410

The notes are an integral part of these consolidated financial statements.

Company statement of cash flows

Year ended 31 December 2017

	Notes	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(8,157)**	(3,056)
Adjustments for:			
Share based payments	19	**93**	281
Issue of warrants	18	**-**	164
Fair value loss to derivative financial asset	15	**2,280**	-
Impairment of loan to subsidiary		**39**	64
Impairment of amount receivable from jointly controlled entity		**379**	494
Exchange difference		**3**	1
		(5,363)	(2,052)

Changes in working capital:			
Trade and other receivables		**2,990**	37
Trade and other payables		**961**	641
Net cash used in operating activities		**(1,412)**	(1,374)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment		**(4)**	(3)
Project evaluation costs		**(1,252)**	(2,861)
Advances to jointly controlled entity		**(379)**	(566)
Proceeds from disposal of available for sale asset		**0**	16
Loan to subsidiary		**(39)**	(397)
Net cash used in investing activities		**(1,674)**	(3,811)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	18	**3,163**	5,556
Issue costs	18	**(356)**	(364)
Net cash from financing activities		**2,807**	5,192
Net incease/(decrease) in cash and cash equivalents		**(279)**	7
Cash and cash equivalents:			
At beginning of the year	17	**400**	393
At end of the year	17	**121**	400

The notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Year ended 31 December 2017

1. Incorporation and principal activities

Country of incorporation

KEFI Minerals PLC (the “Company”) was incorporated in United Kingdom as a public limited company on 24 October 2006. Its registered office is at 27/28, Eastcastle Street, London W1W 8DH.The principal place of business is Cyprus.

Principal activities

The principal activities of the Group for the year were:

- To explore for mineral deposits of precious and base metals and other minerals that appear capable of commercial exploitation, including topographical, geological, geochemical and geophysical studies and exploratory drilling.
- To evaluate mineral deposits determining the technical feasibility and commercial viability of development, including the determination of the volume and grade of the deposit, examination of extraction methods, infrastructure requirements and market and finance studies.
- To develop mineral deposits and market the metals produced.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout both periods presented in these financial statements unless otherwise stated.

Basis of preparation and consolidation

The Company and the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. They comprise the accounts of KEFI Minerals PLC and all its subsidiaries made up to 31 December 2017. The Company and the consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

Going concern

The Directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Company and Group will be able to secure adequate resources to continue in operational existence for the foreseeable future.

The financial information has been prepared on the going concern basis, the validity of which depends principally on securing funding, as a minimum to cover its ongoing operating expenses and to develop the Tulu Kapi mine project as an economically viable mineral deposit, and the availability of subsequent funding to extract the resource, or alternatively the availability of funding to extend the Company's and Group's exploration activities.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company and Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and Group were unable to continue as a going concern.

Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") which for the Company is British Pounds (GBP). The financial statements are presented in British Pounds (GBP).

Foreign currency translation

(1) Foreign currency translation

Foreign currency transactions are translated into the presentational currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the statement of comprehensive income.

(2) Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly in which case they are recorded at the actual rate. Exchange differences arising, if any, are recognized in the foreign currency translation reserve and as a component of other comprehensive income, and recognized in profit or loss on disposal of the foreign operation.

Revenue recognition

The Group had no sales or revenue during the year ended 31 December 2017 (2016: £Nil).

Property plant and equipment

Property plant and equipment are stated at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition less depreciation.

Depreciation is calculated using the straight-line method to write off the cost of each asset to their residual values over their estimated useful life. The annual depreciation rates used are as follows:

Furniture, fixtures and office equipment	25%
Motor vehicles	25%
Plant and equipment	25%

Acquisitions and goodwill

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are written off to the statement of comprehensive income. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date. Where the Group acquires a subsidiary for less than the fair value of its assets and liabilities, this results in negative goodwill which is recognized in profit and loss.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

Goodwill is reviewed for impairment on an annual basis. When the directors consider the initial value of the acquisition to be negligible, the goodwill is written off to the statement of comprehensive income immediately. Trading results of acquired subsidiary undertakings are included from the date of acquisition.

Goodwill is deemed to be impaired when the present value of the future cash flows expected to be derived is lower than the carrying value. Any impairment is charged to the statement of comprehensive income immediately.

Interest in jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has joint control are referred to as jointly controlled entities. In the consolidated accounts the results and assets and liabilities of jointly controlled entities are included in these financial statements for the period using the equity method of accounting. In the Company account the cost method of accounting is used.

Finance costs
Interest expense and other borrowing costs are charged to the statement of comprehensive income as incurred and is recognised using the effective interest method.

Tax
The tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Tax is payable in the relevant jurisdiction at the rates described in note 9.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable differences and deferred tax assets are recognized to the extent that taxable profits will be available against which deductible temporary differences can be utilized. The amount of deferred tax is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and when the deferred taxes relate to the same fiscal authority.

Investments
Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognized as an expense in the period in which the impairment is identified, in the Company accounts. These investments are consolidated in the Group accounts.

Exploration costs
The Group has adopted the provisions of IFRS 6 “Exploration for and Evaluation of Mineral Resources”.

Exploration, evaluation and development expenditure, including acquisition costs of licences, in respect of each identifiable area of interest is expensed to the statement of comprehensive income as incurred, until the point at which development of a mineral deposit is considered economically viable.

Once the Board decides on the development of a project, development expenditure will be capitalized as incurred and amortized over the estimated useful life of the area according to the rate of depletion of the economically recoverable reserves or over the estimated useful life of the mine, if shorter.

The directors consider that the stage of development of its Licence areas in Saudi Arabia has not yet met its criteria for capitalization. Capitalized development costs for the Group’s project in Ethiopia have been recognized on acquisition, and will continue to be capitalised since this date, in accordance with IFRS 6.

A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated capitalized costs in relation to an abandoned area of interest will be written off in full against profit in the year in which the decision to abandon the area is made. Capitalized development expenditure will be amortized from the date at which production commences on a unit of production basis over the estimated lifetime of the commercial ore reserves for the area to which the costs relate.

Share-based compensation benefits
IFRS 2 “Share-based Payment” requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each statement of financial position date. The total amount expensed is recognized over the vesting period, which is the period over which performance conditions are to be satisfied.

The fair value is measured using the Black Scholes pricing model. The inputs used in the model are based on management’s best estimate, including consideration of the effects of non-transferability, exercise restrictions and behavioural considerations.

Financial instruments

Financial assets at amortized cost
Loans and receivables are recognized when the Group becomes party to the contractual provisions of the financial instrument. Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss
Subsequent to initial recognition, when a financial asset is designated as such on initial recognition, it is classified as held at fair value through profit or loss. Assets other than those held for trading are designated at fair value through profit and loss when the Group manages the holdings and makes purchase and sale decisions based on fair value assessments and documented risk

management and investment strategies. Attributable transaction costs and changes in fair value are recognized in profit or loss.

Available for sale financial assets

Available for sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Shares in unlisted companies are recorded at cost. Any other financial assets within this category are measured subsequently at fair value, with changes in value recognised in equity, through other comprehensive income.

Financial liabilities - equity

Financial liabilities are recognized when the Group becomes party to the loan. Financial liabilities represent trade payables and are initially measured at fair value and subsequently at amortized cost.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs. The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3. Financial risk management

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand with an original maturity date of less than three months.

Financial risk factors

The Group is exposed to market risk (interest rate risk and currency risk), liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group does not consider this risk to be significant.

The Company has borrowings outstanding from its subsidiaries, the ultimate realisation of which depends on the successful exploration and realization of the Group's intangible exploration assets. This in turn is subject to the availability of financing to maintain the ongoing operations of the business. The Group manages its financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Market risk - Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2017	2016
Variable rate instruments		
Financial assets	**466**	410

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2017 would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. Given current interest rate levels, a decrease of 25 basis points has been considered, with the impact on profit and equity shown below.

	Equity 2017	**Profit or Loss 2017**	Equity 2016	Profit or Loss 2016
Variable rate instruments				
Financial assets – increase of 100 basis points	**5**	**5**	4	4
Financial assets – decrease of 25 basis points	(1)	(1)	(1)	(1)

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the functional currency of the entity.

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar, Euro, Turkish Lira, US Dollar, Ethiopia ETB and Saudi Arabian Riyal. Since 1986 the Saudi Arabian Riyal has been pegged to the US Dollar, it is fixed at USD/SAR 3.75. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows; with the Saudi Arabian Riyal exposure being included in the USD amounts.

	Liabilities 2017	**Assets 2017**	Liabilities 2016	Assets 2016
Australian Dollar	**103**	**-**	215	-
Euro	**180**	**2**	205	2
Turkish Lira	**2**	**40**	1	40
US Dollar	**1,251**	**45**	1,025	318
Ethiopia ETB	**70**	**549**	187	2,943

Sensitivity analysis

A 10% strengthening of the British Pound against the following currencies at 31 December 2017 would have increased/(decreased) equity and profit or loss by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the British Pound against the relevant currency, there would be an equal and opposite impact on the loss and equity.

	Equity 2017	**Profit or Loss 2017**	Equity 2016	Profit or Loss 2016
AUD Dollar	**10**	**10**	22	22
Euro	**18**	**18**	20	20
Turkish Lira	**(4)**	**(4)**	(4)	(4)
US Dollar	**120**	**120**	58	58
Ethiopia ETB	**(48)**	**(48)**	(276)	(276)

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. This is done through the close monitoring of cash flows.

The capital structure of the Group consists of cash and cash equivalents of £466,000 (2016: £410,000) and equity attributable to equity of the parent, comprising issued capital and deferred shares of £18,092,000 (2016: £16,319,000), other reserves of £19,759,000, (2016: ££17,923,000) and accumulated losses of £23,380,000 (2016: £18,695,000). The Group has no long term debt facilities.

Fair value estimation

The Group has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

Classification of financial assets and liabilities

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect fair value. All other receivables and payables are, where material, discounted to determine the fair value.

Differences arising between the carrying and fair value are considered not significant to adjust for in these accounts. The carrying and fair value of intercompany balances are the same as if they are repayable on demand.

As at each of December 31, 2017 and December 31, 2016, the levels in the fair value hierarchy into which the Group's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

	Carrying Amounts		Fair Values	
	2017	2016	**2017**	2016
Financial assets				
Cash and cash equivalents (Note 17) – Level 1	**466**	410	**466**	410
Available for sale financial assets (Note 14) - Level 2	**79**	95	**79**	95
Derivative financial asset (Note 15) - Level 2	**408**	-	**408**	-
Trade and other receivables (Note 16)	**94**	3,056	**94**	3,056
Financial liabilities				
Trade payables (Note 21)	**2,852**	2,067	**2,852**	2,066

4. Use and revision of accounting estimates and judgements

The preparation of the financial report requires the making of estimations and assumptions that affect the recognized amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Accounting Judgement:

Going concern

The going concern presumption depends principally on securing funding to develop the Tulu Kapi mine project as an economically viable mineral deposit, and the availability of subsequent funding to extract the resource, or alternatively the availability of funding to extend the Company's and Group's exploration activities.

Contingent liabilities

A contingent liability arises where a past event has taken place for which the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain events outside of the control of the Group, or a present obligation exists but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A provision is made when a loss to the Group is likely to crystallise. The assessment of the existence of a contingency and its likely outcome, particularly if it is considered that a provision might be necessary, involves significant judgment taking all relevant factors into account

Estimates:

Fair value of acquisitions

The 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. Fair value estimates are required. In calculating the fair value estimates of net identifiable net assets on acquisition significant judgements and estimates are required.

Share based payments

In calculating the fair value at the grant date, the Black Scholes model requires us to estimate the inputs to this model, in particular in respect of volatility. This assessment is based on historical share price movements assuming these will continue into the future.

Impairment review of asset carrying values

Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. Where the recoverable amounts of Group cash generating units are assessed by analyses of discounted cash flows, the resulting valuations are particularly sensitive to changes in estimates of long term commodity prices, exchange rates, operating costs, the grouping of assets within cash-generating units and discount rates.

Capitalisation of exploration and evaluation costs

Under the Group's accounting policy, exploration and evaluation expenditure is not capitalised until the point is reached at which there is a high degree of confidence in the project's viability and it is considered probable that future economic benefits will flow to the Group. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

5. Operating segments

The Group has only one distinct operating segment, being that of mineral exploration. The Group's exploration activities are located in the Kingdom of Saudi Arabia (through the jointly controlled entity), Ethiopia and its administration and management is based in Cyprus.

	Cyprus	Turkey	Bulgaria	Ethiopia	Consolidated
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
2017					
Operating (loss)/profit	**(3,600)**	**(23)**	**(3)**	**(13)**	**(3,639)**
Material non-recurring item	**(2,280)**	-	-	-	**(2,280)**
Foreign exchange profit/(loss)	-	**14**	-	-	**14**
Net Finance costs	**(75)**	-	-	-	**(75)**
	(5,955)	**(9)**	**(3)**	**(13)**	**(5,980)**
Share of loss from jointly controlled entity					**(286)**
Loss before tax					**(6,266)**
Tax					**-**
Loss for the year					**(6,266)**
Total assets	**5,652**	**41**	**4**	**11,625**	**17,322**
Total liabilities	**2,578**	**3**	**5**	**266**	**2,852**
Depreciation of property, plant and equipment	**3**	**-**	**-**	**21**	**24**
Impairment of intangible assets	**-**	**-**	**-**	**-**	**-**

	Cyprus	Turkey	Bulgaria	Ethiopia	Consolidated
2016	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Operating (loss)/profit	(2,467)	(34)	(3)	(255)	(2,759)
Material non-recurring item	(482)	-	-	2,994	2,512
Foreign exchange profit/(loss)	(193)	70	-	-	(123)
Finance costs	(136)	-	-	-	(136)
	(3,278)	36	(3)	2,739	(506)
Share of loss from jointly controlled entity					(726)
Loss before tax					(1,232)
Tax					-
Loss for the year					(1,232)
Total assets	4,520	42	4	13,049	17,615
Total liabilities	1,617	2	4	443	2,066
Depreciation of property, plant and equipment	1	-	-	54	55
Impairment of intangible assets	-	-	-	266	266

6. Expenses by nature

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
Exploration costs	**146**	125
Depreciation of property, plant and equipment (Note 11)	**24**	55
Material non-recurring item- VAT refund (Note 16 and Note 21)	**-**	(2,512)

Impaired intangible assets (Note 12)	**-**	266
Investigatory, pre-decisional -decisional project finance transaction costs	**865**	-
Warrants issue costs (Note 18)	**-**	164
Share based benefits to employees (Note 18)	**23**	77
Share of losses from jointly controlled entity (Note 5 and Note 20)	**286**	726
Directors' fees and other benefits (Note 22.1)	**708**	716
Consultants' costs	**356**	439
Auditors' remuneration - audit current year	**47**	39
Auditors' remuneration -secondary firm	**23**	23
Auditors' remuneration - associated firm	**10**	7
Legal Costs	**516**	201
Ongoing Listing Costs	**217**	174
Other expenses	**704**	474
Operating loss	**3,925**	974

The Group's stages of operations in Saudi Arabia as at the year-end and as at the date of approval of these financial statements have not yet met the criteria for capitalization of exploration costs. The Company only capitalises direct development costs for the Tulu Kapi gold project in Ethiopia.

7. Staff costs

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
Salaries	**408**	550
Accumulated Leave Provision	**10**	49
Termination Package	**2**	126
Social insurance costs and other funds	**27**	32
	447	757
Average number of employees	**44**	45

Excludes Directors' remuneration and fees which are disclosed in note 22.1. These staff costs are capitalised in development exploration costs.

8. Finance costs

	2017 £'000	2016 £'000
Other finance costs	**85**	136
	85	136

.

9. Tax

	2017	2016
Loss before tax	**(6,266)**	(1,233)
Tax calculated at the applicable tax rates	**(786)**	(382)
Tax effect of non-deductible expenses	**731**	248
Tax effect of tax losses	**55**	341
Tax effect of items not subject to tax	**-**	(207)
Charge for the year	**-**	-

The Company is resident in Cyprus for tax purposes. A deferred tax asset of £1,271,982 (2016: £1,242,770) has not been accounted for due to the uncertainty over future recoverability

Cyprus

The corporation tax rate is 12.5%. Under certain conditions interest income may be subject to defence contribution at the rate of 15%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax year 2013 and 17% for 2014 and thereafter. Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2017, the balance of tax losses which is available for offset against future taxable profits amounts to £ 10,175,859 (2016: £ 9,942,163).

Bulgaria

Mediterranean Minerals (Bulgaria) EOOD, the 100% subsidiary of the Company, is resident in Bulgaria for tax purposes. The corporation tax rate is 10%. Due to tax losses sustained in the period, no tax liability arises on the Mediterranean Minerals (Bulgaria) EOOD. Under current legislation, tax losses may be carried forward and be set off against taxable income of the following five years. As at 31 December 2017, the balance of tax losses which is available for offset against future taxable profits amounts to £29,867 (2016: £25,476). The reduction in tax losses from the prior year is due to losses passing the five year threshold for their utilization.

Turkey
Doğu Akdeniz Mineralleri Sanayi ve Ticaret Limited Şirket (Doğu Akdeniz Mineralleri), the 100% subsidiary of Mediterranean Minerals (Bulgaria) EOOD, and ultimately 100% subsidiary of the Company, is resident in Turkey for tax purposes. The corporation tax rate is 20%. Under local tax legislation, exploration costs can only be set off against income from mining operations. Tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2017, the balance of exploration costs that is available for offset against future income from mining operations amount to £ 143,375 (2016: £811,471).

Ethiopia
KEFI Minerals Ethiopia Limited is subject to other direct and indirect taxes in Ethiopia through its foreign operations. The mining industry in Ethiopia is relatively undeveloped. As a result, tax regulations relating to mining enterprises are evolving. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

During 2013, the House of People's Representatives passed an amendment to the Mining Income Tax Proclamation, reducing income tax from 35% to 25% and had received an initial draft of proposed amendments to the Mining Proclamation, which includes a reduction in royalty on gold production from 8% to 7%.

10. Loss per share

The calculation of the basic and fully diluted loss per share attributable to the ordinary equity holders of the parent is based on the following data:

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
Net loss attributable to equity shareholders	**(6,266)**	(1,233)
Average number of ordinary shares for the purposes of basic loss per share (000's)	**315,273**	*196,471
Loss per share:		
Basic and fully diluted loss per share (pence)	**(1.987)**	*(0.628)

The effect of share options and warrants on losses per share is anti-dilutive.

*The comparative figures have been restated to reflect the 17 for 1 consolidation as detailed in note 18.

11. Property, plant and equipment

	Motor Vehicles £'000	**Plant and equipment £'000**	**Furniture, fixtures and office equipment £'000**	**Total £'000**
The Group				
Cost				
At 1 January 2016	43	135	59	237
Additions	32	-	3	35
At 31 December 2016	**75**	**135**	**62**	**272**
Additions	**-**	**2**	**4**	**6**
Disposals	**(4)**	**(71)**	**-**	**(75)**

At 31 December 2017	**71**	**66**	**66**	**203**
Accumulated Depreciation				
At 1 January 2016	27	70	59	156
Charge for the year	6	46	3	55
At 31 December 2016	**33**	**116**	**62**	**211**
Charge for the year	**1**	**19**	**4**	**24**
Disposals	**(4)**	**(71)**	**-**	**(75)**
At 31 December 2017	**30**	**64**	**66**	**160**
Net Book Value at 31 December 2017	**41**	**2**	**-**	**43**
Net Book Value at 31 December 2016	**42**	**19**	**-**	**61**

The above property, plant and equipment is located in Turkey and Ethiopia.

The Company has no significant property, plant and equipment.

12. Intangible assets

	Project evaluation costs £'000	Deferred exploration costs £'000	Total £'000
The Group			
Cost			
At 1 January 2016	2,715	9,130	11,845
Additions	1,224	1,189	2,413
At 31 December 2016	**3,939**	**10,319**	**14,258**
Additions	**1,252**	**988**	**2,240**
At 31 December 2017	**5,191**	**11,307**	**16,498**
Accumulated Amortization and Impairment			
At 1 January 2016	-	-	-
Impairment Charge for the year	-	266	266
At 31 December 2016	**-**	**266**	**266**
Impairment Charge for the year	**-**	**-**	**-**
At 31 December 2017	**-**	**266**	**266**
Net Book Value at 31 December 2017	**5,191**	**11,041**	**16,232**
Net Book Value at 31 December 2016	3,939	10,053	13,992

	Project evaluation costs £'000	Total £'000
The Company		
Cost		
At 1 January 2016	1,078	1,078
Additions	1,225	1,225
Transfer from subsidiary	1,636	1,636
At 31 December 2016	**3,939**	**3,939**
Additions	**1,252**	**1,252**
At 31 December 2017	**5,191**	**5,191**

Accumulated Amortization and Impairment		
At 1 January 2016	-	-
Charge for the year	-	-
At 31 December 2016	**-**	**-**
Charge for the year	**-**	**-**
At 31 December 2017	**-**	**-**
Net Book Value at 31 December 2017	**5,191**	**5,191**
Net Book Value at 31 December 2016	3,939	3,939

Deferred exploration costs are associated with the Tulu Kapi mine in Ethiopia. The group recognized deferred exploration costs with a fair value of US$ 6,900,000 on acquisition of the project in December 2013. Further costs incurred by the Group since the acquisition have been capitalized.

Once the Board decides on the development of a project, development expenditure will be capitalized as incurred and amortised over the estimated useful life of the area according to the rate of depletion of the economically recoverable reserves or over the estimated useful life of the mine, if shorter.

As at 31 December 2017 management performed an impairment review for deferred exploration costs, which relate to the Tulu Kapi licence area. The Net Present Value of the Tulu Kapi asset exceeded the net book value significantly.

The impairment review compared the recoverable amount of assets to the carrying value. The recoverable amount of an asset is assessed by reference to the higher of value in use ("VIU"), being the net present value ("NPV") of future cash flows expected to be generated by the assets, and fair value less costs to dispose ("FVLCD"). The FVLCD is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's length basis.

Project evaluation costs relating to work performed in assessing the economic feasibility and the independent technical review of the Tulu Kapi project have been capitalised by the Company. In August 2015, the Company published the Tulu Kapi Definitive Feasibility Study ("DFS") evaluating a conventional open-pit mining operation and carbon-in leach ("CIL") processing plant.

In May 2017, KEFI announced an update to its 2015 definitive feasibility study (DFS) in order to account for all of the initiatives undertaken by the company in the intervening two years. According to the 2017 DFS update, the NPV at the start of construction is US$97,000,000 at a US$1,250/oz gold price and a 8% discount rate.

The Tulu Kapi Mining Agreement between the Ethiopian Government and the Company was formalised in April 2015. The terms include a 20-year Mining License, full permits for the development and operation of the Tulu Kapi gold project and a 5% Government free-carried interest. The Company is working towards funding the development of the Tulu Kapi project.

The schedule remains on track for project finance syndicate documentation and inter-creditor arrangements to be assembled and approved by syndicate and National Bank of Ethiopia for full drawdown by late 2017. The Government of Ethiopia confirmed its intention to invest equity capital of US$20 million.

KEFI Minerals Ethiopia also has no other mining exploration licences in Ethiopia. All development costs relating to Yubdo and Billa Guilisso exploration licenses capitalised in previous years were impaired in the previous year.

13. Investments

13.1 Fixed asset investments

The Company	**Year Ended 31.12.17 £'000**	Year Ended 31.12.16 £'000
Cost		
At 1 January	**4,598**	4,598
Acquisitions	-	-
At 31 December	**4,598**	4,598

Subsidiary companies	Date of acquisition/ incorporation	Country of incorporation	Effective proportion of shares held
Mediterranean Minerals (Bulgaria) EOOD	08/11/2006	Bulgaria	100%-Direct
Doğu Akdeniz Mineralleri Sanayi ve Ticaret Limited Şirket	08/11/2006	Turkey	100%-Indirect
KEFI Minerals Ethiopia Limited	30/12/2013	United Kingdom	100%-Direct
KEFI Minerals Marketing and Sales Cyprus Limited	30/12/2014	Cyprus	100%-Direct
Tulu Kapi Gold Mine Share Company	31/04/2017	Ethiopia	95%-Indirect

Subsidiary companies	The following companies have the address of:
Mediterranean Minerals (Bulgaria) EOOD	10 Tsar Osvoboditel Blvd., 3rd floor, Sredets Region, 1000 Sofia, the Republic of Bulgaria.
Doğu Akdeniz Mineralleri Sanayi ve Ticaret Limited Şirket	Zeytinalani Mah. 4183 SK. Kapı No:6 Daire:2 UrlaA Izmir
KEFI Minerals Ethiopia Limited	27/28 Eastcastle Street, London, United Kingdom W1W 8DH
KEFI Minerals Marketing and Sales Cyprus Limited	23 Esekia Papaioannou Floor 2, Flat 21 1075, Nicosia Cyprus
Tulu Kapi Gold Mine Share Company	1st Floor, DAMINAROF Building,Bole Sub-City, Kebele 12/13, H.No, New.

On 8 November 2006, the company entered into an agreement to acquire from Atalaya Mining PLC (previously EMED) the whole of the issued share capital of Mediterranean Minerals (Bulgaria) EOOD, a company incorporated in Bulgaria, in consideration for the issue of 29,999,998 ordinary shares in the Company.

Mediterranean Minerals (Bulgaria) EOOD owns 100% of the share capital of Doğu Akdeniz Mineralleri ("Dogu"), a private limited liability company incorporated in Turkey, engaging in activities for exploration and developing of natural resources.

The Company owns 100% of Kefi Minerals Ethiopia, which operates the Tulu Kapi project in Ethiopia.

Kefi Minerals Ethiopia owns 95% of Tulu Kapi Gold Mine Share Company ("TKGM'), a company incorporated in Ethiopia. TKGM was dormant for the year ended 31 December 2017. The Government of Ethiopia was entitled to a 5% free-carried interest in TKGM. During the year the Tulu Kapi Gold Project mining license was transferred to TKGM. This entitlement is enshrined in the Ethiopian Mining Law and the Ethiopian Mining Agreement between the Ethiopian Government and KEFI Minerals Ethiopia, as well as the constitution of the project company. The Ethiopian Government has also undertaken to invest a further 20 million dollars in the project in return for the issue of additional equity ranking pari passu with the shareholding of KEFI Minerals Ethiopia. Such additional equity will not be entitled to a free carry.

The company owns 100% of KEFI Minerals Marketing and Sales Cyprus, a company incorporated in Cyprus. The company was dormant for the year ended 31 December 2017 and 2016. KEFI Minerals Marketing and Sales Cyprus had no assets or liabilities at the date of acquisition. No additional disclosure is considered necessary, as the entity is not significant to the financial statements. KEFI Minerals Marketing and Sales Cyprus will provide sales and marketing services for the Group once production commences. It is planned that this company will act as agent and off-taker for the onward sale of gold and other products in international markets.

13.2 Investment in jointly controlled entity

	Year Ended 31.12.17 £'000	**Year Ended 31.12.16 £'000**
The Company		
At 1 January/31 December	**181**	181

Jointly controlled entity	Date of acquisition/ incorporation	Country of incorporation	Effective proportion of shares held
Gold and Minerals Co. Limited (G&M)	04/08/2010	Saudi Arabia	40%-Direct

The company owns 40% of G&M. More information is given in note 20.2.

14. Available for sale financial assets

	Year Ended	Year Ended

	31.12.17 £'000	31.12.16 £'000
The Group		
At 1 January	**95**	92
Change in value of available-for-sale financial assets	**-**	3
Foreign currency movement	**(26)**	-
Interest Received	**10**	-
On 31 December	**79**	95

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
The Company		
At 1 January	**-**	8
Disposal of Investment	**-**	(16)
Profit on Sale	**-**	8
At 31 December	**-**	**-**

15. Derivative financial asset

In March 2017, as part of subscription to raise, in aggregate, £5.56m (before expenses) from certain new shareholders, the Company initially issued 82,352,941 new ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") at a price of 5.61p per share to Lanstead Capital L.P. ("Lanstead") for £4,620,000 (before expenses). The Company simultaneously pledged with Lanstead for 85 per cent. of these shares with a reference price of 7.48p per share (the "Reference Price"). The equity sharing agreement is for a 18 month period. All 82,352,941 Ordinary Shares were allotted with full rights on the date of the transaction.

Accordingly, pursuant to the above arrangements, of the aggregate subscription proceeds of £4.6m received from Lanstead, £3.927m (85 per cent.) was pledged by the Company in the equity sharing agreement with the remaining £0.69m (15 per cent.) available for general working capital purposes.

To the extent that the Company's volume weighted average share price is greater or lower than the Reference Price at each sharing settlement, the Company will receive greater or lower consideration calculated on a pro-rata basis i.e. volume weighted average share price / Reference Price multiplied by the monthly transfer amount. As the amount of the effective consideration receivable by the Company from Lanstead under the sharing agreement will vary subject to the movement in the Company's share price and will be settled in the future, the receivable is treated for accounting purposes as a derivative financial asset and has been designated at fair value through profit or loss.

The difference between the cash consideration received and the share placement price of 5.61p per share is transferred from fair value through profit or loss to share premium account. During the current period an amount of £1,340,304 was recorded in share premium.

The Company also issued, in aggregate, a further 4,117,647 Ordinary Shares to Lanstead as a value payment in connection with the equity sharing agreement.

The fair value of the derivative financial assets as at 31 December 2017 has been determined by reference to the Company's then prevailing share price and has been estimated as follows:

	Share price	**Notional number of shares Share price outstanding**	**Fair value**
Value recognised on inception (notional)	0.0561	86,470,588	4,851,000
Transaction Cost"Value Payment Shares"	0.0561	(4,117,647)	(231,000)
		82,352,941	4,620,000
Gross proceeds of the Lanstead Subscription, (being 15%)		(20,588,235)	(693,000)
Equity sharing agreement		61,764,706	3,927,000
Consideration received to 31 December 2017	0.0328	(37,745,092)	(1,239,196)

Realised loss: Difference between placement price of 5.61p and actual consideration is processed via share premium		(1,340,304)
Unrealised Loss on derivative financial asset during the period ending 31 December 2017		(939,647)
	24,019,614	**407,853**
Payable within the next 12 months		**407,853**

16. Trade and other receivables

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
The Group		
Other receivables	**3**	38
Placing funds	**-**	198
Amount receivable from Saudi Arabia Jointly controlled entity (Note 22.3)	**-**	6
VAT Refund	**91**	2,809
Deposits and prepayments	**-**	5
	94	3,056

The Company fully discharged the inherited VAT liability during August 2016 and is entitled to a £2.7 million (Birr 73,500,000) VAT refund. During 2017 the Company received the VAT refund from Ethiopian Revenue and Customs Authority ("ERCA") .

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
The Company		
Deposits	**-**	8
Placing Funds	**-**	198
KEFI Minerals Marketing and Sales Cyprus Limited (Note 22.3)	**3**	3
Advance to KEFI Minerals Ethiopia Limited (Note 22.3)	**5,076**	7,815
Amount receivable from Saudi Arabia Jointly controlled entity (Note 22.3)	**-**	45
	5,079	8,069

Amounts owed by group companies total £12,136,000 (2016: £15,215,000). A provision of 7,057,000 (2016: £7,355,000) has been made against the amount due from the subsidiaries because these amounts are considered irrecoverable.. The advance issued to KEFI Minerals Ethiopia Limited is unsecured, interest free and repayable on demand. At the reporting date, no receivables were past their due date.

17. Cash and cash equivalents

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
The Group		
Cash at bank and in hand	**466**	410
The Company		
Cash at bank and in hand	**121**	400

18. Share Capital

Authorized Capital

The articles of association of the Company were amended in 2010 and the liability of the members of the Company is limited.

Issued and fully paid

	Number of shares '000	Share Capital	Deferred Shares	Share premium	Total
At 1 January 2016	2,621.639	2,623	12,436	12.347	27,406
Issued 22 March 2016 at 0.35p	499,360	499	-	1,248	1,747
Issued 29 July 2016 at 0.5p	761,922	761	-	3,048	3,809
Share issue costs	-	-	-	(364)	(364)
At 31 December 2016	3,882,921	3,883	12,436	16,279	32,598

On the 1 March 2017 Shareholders received one new ordinary share for every 17 existing ordinary shares

***At 1 January 2017**	**228,407**	**3,883**	**12,436**	**16,279**	**32,598**
Issued 2 March 2017 at GBP 0.17					
Share Equity Placement	**17,825**	**303**	**-**	**697**	**1,000**
Lanstead Share Equity	**82,353**	**1,400**	**-**	**3,220**	**4,620**
Lanstead Value Placement Fee	**4,118**	**70**	**-**	**161**	**231**
Share issue costs	**-**	**-**	**-**	**(356)**	**(356)**
Transfer realised loss of derivative financial asset	**-**	**-**	**-**	**(1,340)**	**(1,340)**
At 31 December 2017	**332,703**	**5,656**	**12,436**	**18,661**	**36,753**

*Post share consolidation figures

Issued capital

2017

On 2 March 2017, 104,295,888 shares of 1.7p were issued at a price of 5.61p per share. On issue of the shares, an amount of GBP4,077,969 was credited to the Company's share premium reserve.

The Company issued a total of 17,825,300 shares to investors for a total consideration of GBP 1,000,000.

Company issued 82,352,941 Shares to Lanstead Capital L.P. ('Lanstead'), for an aggregate consideration of GBP 4.620,000. In addition, the Company has entered into Equity Sharing Agreements with Lanstead which allow the Company to retain much of the economic interest in the Lanstead Subscription Shares. The Equity Sharing Agreements enable the Company to secure much of the potential upside and downside risk arising from anticipated near term news flow. Further details available in note15.

The Company also agreed to make a placement fee to Lanstead of 4,117,647 Ordinary Shares.

Consolidation of ordinary shares

Following the Company's General Meeting on 1 March 2017, at the close of business on 1 March 2017 shareholders received one Ordinary Share of nominal value 1.7 pence each for every 17 Existing ordinary Shares of nominal value 0.1 pence each.

2016

On 22 March 2016, 499,359,791 shares of 0.1p were issued at a price of 0.35p per share. On issue of the shares, an amount of £1,248,299 was credited to the Company's share premium reserve.

On 29 July 2016, 761,921,739 shares of 0.1p were issued at a price of 0.5p per share. On issue of the shares, an amount of £3,047,687 was credited to the Company's share premium reserve.

Restructuring of share capital into deferred shares

On 16 June 2015 the Company's issued ordinary shares of 1p each in the capital of the Company were sub-divided into one new ordinary share of 0.1p and one deferred share of 0.9p. The deferred shares have no value or voting rights. After the share capital reorganization there were the same number of New Ordinary Shares in issue as there are existing Ordinary Shares. The New Ordinary Shares have the same rights as those currently accruing to the existing Ordinary Shares in issue under the Company's articles of association, including those relating to voting and entitlement to dividends.

Warrants

2016

On 22 March 2016, the Company issued 1,468,705 warrants to subscribe for new ordinary shares of 1.7p each at 5.95p per share.

On 29 June 2016, the Company issued 2,240,946 warrants to subscribe for new ordinary shares of 1.7p each at 8.50p per share.

2017

During the period 1 January 2017 to 31 December 2017, 730,392 warrants were cancelled or expired.

Details of warrants outstanding as at 31 December 2017:

Grant date	Expiry date	*Exercise price	Expected Life Years	*000's
04-Jul-13	03-Jul-18	35.70p	5 years	77
16-Oct-13	15-Oct-18	38.25p	5 years	65
18-Mar-15	17-Mar-18	17.00p	3 years	235
11-May-15	10-May-18	17.00p	3 years	99
15-Jun-15	14-Jun-18	13.60p	3 years	853
11-Dec-15	10-Dec-18	5.10p	3 years	2,580
22-Mar-16	21-Mar-19	5.95p	3 years	1,469
29-Jul-16	28-Jul-19	8.50p	3 years	2,241
				7,619

*Post share17/1 consolidation figures

The Company has issued warrants to advisers to the Group. All warrants, as noted above expire between two to five years after grant date and are exercisable at the exercise price.

	*Number of warrants 000's
Outstanding warrants at 1 January 2017	8,350
- granted	-
- cancelled/forfeited/expired	(731)
Outstanding warrants at 31 December 2017	7,619

*Post share17/1 consolidation figures

The estimated fair values of the warrants were calculated using the Black Scholes option pricing model.

The inputs into the model and the results for warrants granted during the year are as follows:

	29 July 2016	**22 March 2016**
Closing share price at issue date	9.52p	6.12p
Exercise price	8.5p	5.95p
Expected volatility	87.3%	80.3%
Expected life	3yrs	3yrs
Risk free rate	0.31%	0.31%
Expected dividend yield	Nil	Nil
Estimated fair value	5.44p	2.89p

Expected volatility was estimated based on the historical underlying volatility in the price of the Company's shares.

For 2017, the impact of issuing warrants is a net charge to income of nil (2016: £164,000). At 31 December 2017, the equity reserve recognized for share based payments, including warrants, amounted to £1,325,000 (2016: £1,474,000).

Year Ended 31.12.17	Year Ended 31.12.16

	£’000	£’000
Opening amount	**1,474**	1,212
Warrants issued costs (Note 6)	**-**	164
Share options issued to employees (Note 6)	**23**	77
Share options issued to directors and key management	**99**	204
Forfeited Options	**(30)**	-
Cancelled/Expired options	**(144)**	(183)
Cancelled/Expired Warrants	**(97)**	-
Closing amount	**1,325**	1,474

19. Share options reserve

Details of share options outstanding as at 31 December 2017:

Grant date	Expiry date	*Exercise price	*Number of shares 000’s
13-Sep-12	12-Sep-18	68.00p	582
24-May-13	23-May-19	49.56p	59
03-Sep-13	02-Sep-18	49.98p	59
08-Oct-13	07-Oct-18	38.59p	21
16-Jan-14	15-Jan-20	33.83p	6
27-Mar-14	26-Mar-20	39.10p	1,309
12-Sep-14	11-Sep-20	29.92p	132
20-Mar-15	19-Mar-21	22.44p	1,529
16-Jun-15	15-Jun-21	22.44p	382
19-Jan-16	18-Jan-22	7.14p	4,088
23-Feb-16	22-Feb-22	12.58p	176
05-Aug-16	05-Aug-22	10.20p	1,471
22-Mar-17	21-Mar-23	7.50p	8,604
			18,418

*Post share17/1 consolidation figures

	*Weighted average ex. Price	*Number of shares 000’s
Outstanding options at 1 January 2017		11,663
- granted	7.50p	9,535
- cancelled/ expired	48.62p	(631)
- forfeited	8.13p	(2,149)
Outstanding options at 31 December 2017		18,418

The Company has issued share options to directors, employees and advisers to the Group.

On 13 September 2012, 911,764 options were issued which expire six years after the grant date, and are exercisable at the exercise price in whole or in part no more than one half after one year from the grant date and one half two years from the grant date.

On 24 May 2013 58,823 options were issued which expire six years after the grant date and are exercisable in part no more than one half after one year from the grant date and one half two years from the grant date. On 3 September 2013 58,824 options were issued and on 8 October 2013, 20,588 options were issued both which expire five after the grant date and are exercisable in part no more than one half after one year from the grant date and one half two years from the grant date

During January 2014 and February 2014 35,294 options were issued which expire six years after the grant date and are exercisable in part no more than one half after one year from the grant date and one half two years from the grant date.

On 27 March 2014, 1,294,118 options were issued to the Directors and a further 317,647 options have been granted to other non-board members of the senior management team. Of the options issued, previously granted options over 1,300,000 Ordinary shares which were due to expire during 2014 have all been cancelled and the new grants of options have been made, in accordance with the terms of the Scheme the options vest in equal annual instalments over a period of 2 years and expire after 6 years.

On 12 September 2014, 132,353 options were issued which expire six years after grant date and vest in equal annual instalments over a period of two years.

On 20 March 2015,1,588,235 options were issued which expire six years after grant date and vest in equal annual instalments over a period of two years.

On 16 June 2015, 382,353 options were issued which expire six years after grant date and vest in equal annual instalments over a period of two years.

On 19 January 2016, 4,717,059 options were issued which expire six years after grant date and vest in normal circumstances, vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period.

On 23 February 2016,176,471 options were issued which expire six years after grant date and vest immediately.

On 5 August 2016, 2,058,824 options were issued which expire six years after grant date and vest in normal circumstances, vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period.

On 22 March 2017, 9,535,122 options were issued which, expire after six years, and vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period.

The option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid Ordinary shares by way of a capitalisation of the Company's reserves, a sub division or consolidation of the Ordinary shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of Ordinary shares. The estimated fair values of the options were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Date	**Closing share price at issue date**	**Exercise price**	**Expected volatility**	**Expected life**	**Risk free rate**	**Expected dividend yield**	**Discount factor**	**Estimated fair value**
22-Mar-17	4.50p	7.50p	72.20%	6yrs	0.75%	Nil	0%	2.42p
05-Aug-16	9.52p	10.20p	87.20%	6yrs	0.75%	Nil	0%	6.80p
23-Feb-16	5.61p	12.58p	82.65%	6yrs	0.90%	Nil	0%	1.87p
19-Jan-16	5.78p	7.14p	83.18%	6yrs	0.90%	Nil	0%	3.74p
16-Jun-15	14.11p	22.44p	61.11%	6yrs	1.53%	Nil	0%	6.46p
20-Mar-15	20.40p	22.44p	59.04%	6yrs	1.53%	Nil	0%	10.88p
12-Sep-14	24.31p	29.92p	43.40%	6yrs	1.09%	Nil	0%	8.84p
04-Apr-14	31.11p	31.11p	59.60%	6yrs	2.17%	Nil	0%	15.98p
27-Mar-14	31.45p	39.10p	59.60%	6yrs	2.17%	Nil	0%	15.98p
01-Feb-14	32.30p	32.13p	59.60%	6yrs	2.17%	Nil	0%	15.98p
16-Jan-14	31.11p	33.83p	59.60%	6yrs	2.17%	Nil	0%	15.98p
08-Jan-14	31.45p	31.96p	59.60%	6yrs	2.17%	Nil	0%	15.98p
08-Oct-13	45.73p	38.59p	63.83%	5yrs	1.70%	Nil	50%	13.60p
03-Sep-13	46.92p	49.98p	63.63%	5yrs	1.70%	Nil	50%	12.75p
24-May-13	37.23p	49.64p	59.80%	6yrs	5.00%	Nil	0%	20.06p
13-Sep-12	61.71p	68.00p	56.90%	6yrs	5.00%	Nil	0%	34.85p

Expected volatility was estimated based on the historical underlying volatility in the price of the Company's shares.

For 2017, the impact of share option-based payments is a net charge to income of £122,000 (2016: £281,000). At 31 December 2017, the equity reserve recognized for share option-based payments, including warrants, amounted to £1,325,000 (2016: £1,474,000).

20. Jointly controlled entities

20.1 Joint controlled entity with Gold and Minerals

Company name	Date of incorporation	Country of incorporation	Effective proportion of shares held at 31 December
Gold & Minerals Co. Limited	3 August 2010	Saudi Arabia	40%

Gold & Minerals Co. Limited has the following registered address: Olaya District. 659, King Fahad Road, Riyadh, Kingdom of Saudi Arabia.

	SAR'000		GBP'000	
Amounts relating to the Jointly Controlled Entity	**Year Ended 31.12.17**	Year Ended 31.12.16	**Year Ended 31.12.17**	Year Ended 31.12.16
Non-current assets	**84**	223	**7**	19
Current assets	**231**	685	**18**	59
	315	908	**25**	78
Non-current liabilities	**62,345**	60,594	**4,930**	5,246
Current liabilities	**904**	667	**71**	58
	63,249	61,261	**5,001**	5,304
Net liabilities	**(62,934)**	(60,353)	**(4,976)**	(5,226)
Share capital	**2,500**	2,500	**198**	217
Accumulated losses	**(65,434)**	(62,853)	**(5,174)**	(5,443)
	(62,934)	(60,353)	**(4,976)**	(5,226)
Exchange rates SAR to GBP				
Closing rate			**0.1977**	0.2165

In May 2009, KEFI announced the formation of a new minerals exploration jointly controlled entity, Gold & Minerals Co. Limited ("G&M"), a limited liability company in Saudi Arabia, with leading Saudi construction and investment group Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR"). KEFI is the operating partner with a 40% shareholding in G&M with ARTAR holding the other 60%. KEFI provides G&M with technical advice and assistance, including personnel to manage and supervise all exploration and technical studies. ARTAR provides administrative advice and assistance to ensure that G&M remains in compliance with all governmental and other procedures. G&M is treated as a jointly controlled entity and has been equity accounted and has reconciled its share in G&M's losses.

The above figures reported represent cumulative exploration activity incurred by G&M since its incorporation in 2009. The accounting policy for exploration costs recorded in the G&M audited financial statements is to capitalise qualifying expenditure and review for impairment, if applicable. This is in contrast to the Group's accounting policy relating to exploration costs which is to expense costs through profit and loss until the Board decides on the development of a project (Note 2). Consequently, exploration costs of G&M at 31 December 2017 amounting to SAR65.3 million (2016: SAR62.6 million) have been adjusted to bring the figures in line with the Group's accounting policies.

20.1 Jointly controlled entity with Gold and Minerals (continued)

A loss of £286,000 was recognized by the Group for the year ended 31 December 2017 (2016: £ 726,000) representing the Group's share of losses in the year.

As at 31 December 2017 KEFI owed ARTAR an amount of £228,000 (2016: receivable £170,000) - Note 22.4.

As at 31 December 2017, G&M owed KEFI an amount of £0 (2016: £6,000) – Note 22.3.

21. Trade and other payables

The Group	**Year Ended 31.12.17 £'000**	Year Ended 31.12.16 £'000
Accruals and other payables	**2,431**	1,640
Other loans	**193**	257
Payable to jointly controlled entity (Note 22.4)	**228**	170
	2,852	2,067

.

Other loans are unsecured, interest free and repayable on demand.

The Company

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
Accruals and other payables	**2,350**	1,447
Payable to jointly controlled entity (Note 22.4)	**228**	170
	2,578	1,617

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

22. Related party transactions

The following transactions were carried out with related parties:

22.1 Compensation of key management personnel

The total remuneration of key management personnel was as follows:

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
Directors' consultancy fees *	**547**	500
Directors' other consultancy benefits	**94**	49
Share option-based benefits to directors (Note 19)	**67**	167
Other key management personnel fees and other benefits	**466**	323
Share option-based benefits other key management personnel (Note 19)	**20**	37
	1,194	1,076

* Directors' fees paid to the Executive Director Chairman and Finance Director are paid to consultancy companies of which they are beneficiaries.

Share-based benefits

The Company has issued share options to directors and key management. All options, except those noted in Note 18, expire six years after grant date and vest in normal circumstances, vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve month period.

22.2 Payable to shareholders

Name	**Nature of transactions**	**Relationship**	**2017**	2016
Lanstead Capital	Finance -Refer to Note15	Shareholder	**408**	-

Name	**Nature of transactions**	**Relationship**		
Atalaya Mining PLC (previously EMED)	Provision of management and other professional services	Shareholder	**5**	18
Lanstead Capital	Equity swap agreement: Subscription cash proceeds received-Refer to Note 15	Shareholder	**2,163**	-

22.3 Receivable from related parties

The Group			**2017**	2016
Name	**Nature of transactions**	**Relationship**		

Gold & Minerals Co. Limited	Finance	Jointly controlled entity	**-**	6
			-	6

The Company			**2017**	2016
Name	**Nature of transactions**	**Relationship**		
Gold & Minerals Co. Limited	Finance	Jointly controlled entity	**-**	45
KEFI Minerals Marketing and Sales Cyprus Limited	Finance	Subsidiary	**3**	3
Kefi Minerals Ethiopia Limited	Advance	Subsidiary	**5,076**	7,815
			5,079	7,863

Kefi Minerals Ethiopia during 2017 repaid an amount of £1,200,000, the Company advanced £430,000 to the subsidiary.
The Company had a foreign exchange translation loss of £1,969,000 because of the devaluation of the Ethiopian Birr in October 2017.

22.4 Payable to related parties

The Group			**2017**	2016
Name	**Nature of transactions**	**Relationship**		
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Jointly controlled entity	**228**	170
			228	170

The Company			**2017**	2016
Name	**Nature of transactions**	**Relationship**		
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Jointly controlled entity	**228**	170
			228	170

23. Contingent liabilities

23.1 Geological database

In 2006, Atalaya Mining PLC (previously EMED) acquired a proprietary geological database that covers extensive parts of Turkey and Greece and transferred to the Company that part of the geological database that relates to areas in Turkey.

Under the agreement, the Company has undertaken to make a payment of approximately £61,400 (AUD 105,000) for each tenement it is subsequently awarded in Turkey and which was identified from the database. The maximum number of such payments required under the agreement is four, resulting in a contingent liability of up to £246,000. These payments are to be settled by issuing shares in the Company. To date, only one tranche of shares have been issued under this agreement in June 2007 for £43,750 (AUD 105,000).

23.2 Charge issued

On 13 August 2015, the Company created a fixed charge in favour of AIB Group (UK) Plc over amounts held in the Company's deposit accounts with the bank. The charge is in regard to time credit banking facilities provided by AIB Group (UK) Plc. at 31 December 2017; the balance in the deposit accounts was £20,000.

23.3 Legal Allegations

The original claim for damages of US9,000,000 (approximately ETB240 million) had been lodged against KEFI in 2014. The claim was based on the impact of exploration field activities conducted between 1998 and 2006, a period which pre-dated KEFI's involvement in the Tulu Kapi Gold Project. These exploration activities comprised the construction of drill pads and access tracks. No objections had been made until 2014 when certain parties from outside the Tulu Kapi district raised the matter and initiated court action against KEFI. The Oromia Regional Supreme Court earlier this year rejected 95% of these claims as having no legal basis and reduced KEFI's potential liability to £435,000. KEFI's appeal to the Court with regards to the remaining £435,000 has now succeeded and the Company is no longer liable for any damages. If another appeal is raised, which remains a possibility, KEFI would defend its position on the basis that it remains firmly of the belief, on legal advice and as previously reported, that it has no contingent or actual liability

24. Contingent asset

In 2011, KEFI Minerals completed the sale the Company's Artvin Project in north-eastern Turkey to a Turkish mining company. The Artvin Project comprised 15 Exploration Licences located in the Eastern Pontide Belt in north-eastern Turkey. Kackar Madencilik San. Tic. Ltd, KEFI Mineral's subsidiary holding these licences, was sold in return for a cash payment of US$100,000 and a 1% Net Smelter Royalty on all future mineral production from the Artvin licences.

The Company successfully divested four Licences in Turkey in July 2011 to AIM listed Ariana Resources (AIM:AAU) for a nominal cash payment of 10,000 Turkish Lira, 910,747 new ordinary shares in Ariana and a Net Smelter Royalty ("NSR") of 2%. The NSR is payable by Ariana's wholly owned Turkish subsidiary Galata Madencilik San. ve Tic. Ltd. ("Galata") to KEFI Mineral's Turkish Subsidiary, Dogu, on commercial production of any mineral from the licences. No value has been attributed in these financial statements for the NSRs, due to uncertainty regarding when income from the NSRs will commence.

25. Capital commitments

The Group has the following capital or other commitments as at 31 December 2017 Nil (2016 Nil Million),

	Year Ended 31.12.17 £'000	Year Ended 31.12.16 £'000
Tulu Kapi Project Costs	**353**	-

26. Events after the reporting date

On 1 February 2018, 9,600,000 options were issued to persons who discharge director and managerial responsibilities ("PDMRs") and a further 3,000,000 options have been granted to other non-board members of the senior management team. The options have an exercise price of 4.5p, expire after 6 years, and vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period.

In June 2018 Company reached agreement with an Ethiopian investment syndicate for the proposed acquisition of a 30% ownership interest in wholly-owned subsidiary KEFI Minerals (Ethiopia) Limited ("KME") and holder of the Company's interest in the Tulu Kapi Gold Mines Share Company Limited ("TKGM"). Under the proposed terms, which remain subject to final documentation and government approval, the syndicate will invest US$30,000,000 in Ethiopian Birr of which US$9,000,000 will be invested in August 2018 and the balance upon closing of project finance.

On 15 June 2018 the Company announced a capital-raising for £5,500,000 (US$ 7,310,000) to fund finance closing costs and early project works in preparation for full finance drawdown and development activities targeted for implementation after the end of the Ethiopian wet season in September 2018.

27. Adoption of new and revised International Financial Reporting Standards (IFRSs)

Amendments to the following International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been implemented by the Group in the period ended 31 December 2017:

Amendments to IAS 1 Presentation of Financial Statements
Amendments to IFRS 7 Financial Instruments : Disclosures
Amendments to IAS 27 Separate Financial Statements
Amendments to IAS 7 Statement of Cash Flows

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning after 1 October 2016 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IFRS 2 Share-Based Payments
IFRS 9 Financial Instruments
IFRS 11 Joint Arrangements
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases

Where relevant, the Group is evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements. The Directors have assessed there to be no material impact of for standards on the Group financial statements of the new standards or interpretations issued.