International Mining & Infrastructure Corporation plc

Annual Report

For the year ended 30 June 2015

Registered number: 05143779

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OFFICERS AND PROFESSIONAL ADVISERS

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Chairman's Statement

I am pleased to deliver my first Chairman's Statement, since I resumed my role as Executive Chairman in May 2016, and to bring investors up to date with developments at International Mining & Infrastructure Corporation plc ("IMIC"). In my view, the Company's world-class iron ore assets, place it in a more favourable position compared to a number of other junior iron ore developers. The Company also has support of its investors and it has just raised US$27 million (net US$10 million) in October 2017 through a bond issue.

During the 12 months to 30 June 2015 the Company made progress towards unlocking the value of the Company's iron ore assets in Cameroon. Tough conditions in the sector led to the demise of several iron ore producers, including two West Africa-focused London-listed companies. The West African producers failed because of the combined effects of low iron ore prices, high operating cost structures and a related scarcity of capital. Despite the difficult atmosphere, IMIC was able to drive its assets through several crucial milestones on the road to production. Updated resource estimates at both the Nkout and Ntem iron ore assets have paved the way for future progress. Detailed work on the Preliminary Feasibility Study ("PFS") at Nkout project has been completed. At the smaller, but exciting, Ntem project, a detailed Scoping Study illustrated the good economics of a near-term opportunity that could provide IMIC with early revenues and a recently completed positive PFS strengthened confidence in the technical and economic viability of that project. At the same time, costs across the business were cut and due to the declining price of iron ore the Group has impaired the goodwill and exploration and evaluation assets on the Group balance sheet totalling US$154,256,760.

The key to unlocking the value of the Company's growing African iron ore resources is infrastructure and funding. IMIC is working closely with its strategic partner African Iron Ore Group ("AIOG") to create solutions for infrastructure development. High level strategic agreements are already in place with leading Chinese companies to provide backing and expertise for rail and ports engineering and construction, power generation, iron ore beneficiation and off-take. These important agreements, together with an announcement that the Government of Cameroon is seeking to become more directly involved in the development of iron ore-related infrastructure, will potentially help with the implementation of IMIC's plans in the iron ore corridor of southern Cameroon and adjoining nations such as Gabon and Congo-Brazzaville. These efforts are regrettably being conducted against the challenging backdrop of one of the most difficult periods in the commodities space, a reality which will delay progress for the medium-term in my view.

IMIC has developed relationships with the major Chinese companies in the steel supply chain as the People's Republic of China ("China") is the likely customer for its large-scale anticipated iron ore production. In January 2015, to boost the Company's profile within the investment community in China, IMIC appointed CITIC Securities Co, Ltd, ("CITICS"), one of the country's largest investments banks, as its financial adviser. CITICS, which is well known for its powerful franchise and extensive client base, is identifying additional IMIC strategic partners and potential new investors from China and the Far East region in general.

As announced at the beginning of October 2015, the Company's London-based Nominated Adviser resigned as a result of a tax dispute in Cameroon which has since been brought under control and discussions with the Cameroon tax authorities with a view of a final settlement are ongoing. Companies are not permitted to trade on the AIM market without a Nominated Adviser. The admission of the Company's ordinary shares to trading on AIM was therefore cancelled with effect from 10 November 2015. The Company is now moving ahead with plans for its shares to be admitted and listed on another recognised stock exchange, in order to maintain the Company's access to capital.

In April 2016, IMIC received a letter from its substantial shareholder, AIOG, of which Ethelbert Cooper, my predecessor, is a 90 per cent. beneficial holder, requiring the Company to convene a general meeting of its shareholders to pass the resolution for the Company to enter into a Loan Agreement for US$ 2,500,000 with Société Internationale Métallique (Canada) Limitée ("SIM") where he currently holds a position of Chairman. The general meeting took place on 18 May 2016 at which the resolution was passed by the shareholders and the loan was advanced to SIM in May. The rationale for this transaction is that SIM intends to develop a Direct Reduction grade pellet plant for the ultimate production of Direct Reduced Iron ("DRI") or, more relevantly, Hot Briquetted Iron ("HBI") which is a merchantable form of DRI. The production of HBI requires an iron ore input that has a high iron and low deleterious trace element character, such as that which is expected to be produced from IMIC's Ntem mine. There is therefore a potential that future iron ore production from IMIC's Ntem project would, in due course, be processed at SIM's planned processing facilities in Canada. SIM is owned by Metal Holdings Limited (MHL), also owned by Ethelbert Cooper.

The Company received a letter dated 27 April 2016 from the Bondholders representing US$112,000,000 of the total outstanding IMIC bond issuance of approximately $175,000,000 consenting to the Loan to SIM and further confirming that they will inter alia waive the requirement for IMIC to raise US$2,000,000 of equity as stipulated in the conditions of the November 2015 Bonds and undertake, subject to market conditions and on a best endeavours basis, to inject additional capital into IMIC through further subscription for IMIC bonds.

As a developing Company, we are committed to working on the advancement of our assets which requires funding. Whilst we successfully raised capital in November 2015 and October 2016, we continue to seek further funding to support the ongoing operations of the Company. We should note nonetheless that the funding environment for junior iron ore development companies remains difficult against the background of weak iron ore prices. However, despite the challenges, IMIC is fully funded until October 2017 and remains hopeful that it would be able to raise further funding in due course. Refer to note 2 of the financial statements.

Cameroon

IMIC controls four iron ore projects along the Cameroon-Gabon-Congo (Brazzaville) iron ore corridor - Nkout, Ntem, Akonolinga and Ngoa. Nkout is a 2.7 billion tonnes ("Bt") deposit which lies 330 kilometres from the newly completed Kribi deep water port and 30 kilometres away from the proposed railway corridor to the port. The Ntem deposit is smaller in size than Nkout, but it has the important advantage of lying much closer to the port and, for this reason, its development is now being accelerated towards early production. Both Nkout and Ntem are at the Feasibility Study stage whereas Akonolinga and Ngoa are earlier-stage projects. The Company has made tremendous progress in the development of its assets by completing Pre-Feasibility Studies ("PFS") for both, Nkout and Ntem post period end. The Nkout PFS, which indicated attractive economics for the project, was completed in Q4 2015, whereas, the Ntem PFS, which confirmed viability of the project and potential for early revenues, was completed in Q2 2016. Of value to our future, the Government of Cameroon is currently studying the possibility of funding both iron ore rail and port infrastructure.

• The Updated Mineral Resource Estimate for the Nkout iron ore asset showed an overall increase in mineral resource of 225Mt to over 2.7Bt, with a 68% increase in the total direct shipping ore/Saprolite Indicated resource to 252 million tonnes ("Mt") at 43.2% iron ("Fe"). This represents a substantial increase in the tonnage of oxidised resource in the Indicated category, and it improves confidence in geological understanding and grade distribution as a result of the in-fill drilling which had been carried out.

• The PFS has been completed on the basis of a phased development of Nkout. Completion of the Phase 1 PFS and the Full PFS for Nkout has marked an important milestone in the development of the project. Results of the two studies demonstrated the quality and potential of Nkout. The Full PFS entailed the mining and processing of Direct Shipped Ore ("DSO"), Saprolite and Banded Iron Formation ("BIF") ores at an export rate of 35Mtpa of product over a mine life of 36 years. The Phase 1 PFS study explored an alternative scenario to the Full PFS. The Phase 1 PFS represents stage one development of a smaller standalone project and consists of 18Mtpa operation over a 10 year period, with significantly lower capital cost and mining of only DSO and Saprolite ore. Phase 1 PFS maximized return on capital and reassured the viability of the project. The Phase 1 development costs were reduced to US$1.86bn achieving the IRR of 27% using an iron ore forecast price of 70 - 74 US$/t, FOB Kribi. The Phase 1 development presents an opportunity for a later stage expansion to allow the project to reach its full capacity production of 35Mtpa once market conditions improve.

The Nkout PFS included an assessment of a range of infrastructure, production and capital expenditure scenarios which factor in the current cyclical weakness in global iron ore prices. With further confidence in the potential of Nkout, IMIC intends to continue to drive this project and move into the Definitive Feasibility Study ("DFS") phase in due course, when general global iron ore market conditions improve.

• The greatest progress over the period has been made at Ntem which is being advanced to project development. The Updated Mineral Resource Estimate ("MRE") for the Ntem deposit showed an increase in overall mineral resource of 60.8Mt to 176.3Mt and a 148% improvement in total Indicated resource to 96.9Mt at 34.92% iron. This is the second resource estimate for Ntem and it has substantially boosted the tonnage in the Indicated Resource category. The improved resource estimate serves to support extended mine life and strengthens the economics of this relatively small-scale operation which possesses the potential to generate early revenues for the Group.

• A detailed Scoping Study for a 4Mt per annum project at Ntem has been completed based on the above resource estimate. The Scoping Study confirmed the project's economic viability, based on an assumption of a realised iron ore price of US$97.53/t at the time of production in approximately 3 to 4 years. It is planned that Ntem will produce a high-quality 69% Fe concentrate, suitable for use as pellet feed, which is expected to attract significant demand in Europe and the Middle East. The encouraging Scoping Study has provided the Company with a realistic basis on which to rapidly progress the advancement of this project. Ntem is strategically located 80 kilometres from the deep-water port at Kribi and within close proximity to the existing gas-fuelled Kribi power station. Ntem high-grade iron concentrate is planned to be transported to the coast using a dedicated slurry pipeline which offers a financially attractive low-capital-expenditure solution.

• A positive PFS confirmed the encouraging Scoping Study findings and gave a robust outlook for a 4mtpa project which benefits from the access to the existing port infrastructure and competitively priced natural gas available at Kribi. The PFS results highlighted strong economic potential of producing high grade premium pellet feed product up to 69% Fe over a 11 year life of mine at low quartile operating costs of only US$25.9/t utilising the slurry pipeline. The results demonstrated the marketability and profitability of IMIC production of the excellent product from Ntem which will be highly desirable in the market and will attract a significant premium. Furthermore, exploration upside exists to the current resource base with an in-fill drilling programme completed in May 2016 and updated MRE to be release in Q4 2016.

The project is now at an advanced stage with very strong fundamentals including high internal rate of return of 27% and quick three year payback of US$693m capital costs, based on an assumed long term iron ore price of US$85/t CFR China. IMIC intends to progress Ntem into the next step of technical and economic valuation, being the DFS. The Company will carefully monitor market developments and launch the DFS at the appropriate time, subject to financing. With further confidence in the project, the Company envisages to begin the production within 36 months post the DFS, subject to financing.

- The Company is in negotiations with potential partners on "Build-Own-Operate-Transfer" solutions for all the key elements of the project, including the slurry pipeline, beneficiation plant, contract mining, and port and power. These solutions would allow the rapid advancement of Ntem whilst minimising IMIC's capital expenditure. There is future scope to add more value to the production of the mining activities in Cameroon, and relevant options will be investigated. Midstream and downstream industrial options would involve converting iron ore into intermediate iron or even primary steel products in Cameroon, for local and regional consumption as well as export.

People

In light of the current depressed market conditions, caused by the cyclical downturn in iron ore prices, which has occurred since 2013, the Company has taken steps to reduce and manage costs more effectively. Staff numbers, both at the corporate level in London and the operational level in Cameroon, have been reduced. In addition, operations at the Company's Nkout project have been shifted to a care and maintenance basis, following the completion of the drilling programs and the release of the updated resource statements. The head count has risen again as IMIC has initiated the Ntem PFS in Q4 2015.

I reassumed the role of Executive Chairman of IMIC in May 2016, having previously served as Chief Financial Officer and Chairman. I have been a Director of IMIC since 2007. Much has been accomplished since that time, despite challenging market conditions. I have witnessed many achievements and played an instrumental role in the transformation of IMIC into a Company with world-class assets, numerous fund raisings and continued efforts and commitment to progress the development of our assets. I have also been serving as acting Chief Executive Officer and will continue to do so until a new Chief Executive Officer has been appointed.

I would like to thank the previous Chairman, Ethelbert Cooper, for the enormous effort he has put in over the year of his Chairmanship. I would also like to acknowledge his key role in the raising of financing for the Company at that time. Mr Cooper stepped down from the Board of IMIC further to the general meeting of shareholders on 18 May 2016 which resulted in the passing of the resolution for the Company to enter into a Loan Agreement for US$ 2,500,000 with SIM. As the founder, Chairman and 90% beneficial owner of AIOG, IMIC's strategic partner and one of its larger shareholders, he has been strategically involved in the formation of an alliance of large Chinese state-owned corporations to support the projects going forward. These important relationships will serve to provide an integrated package of cost-effective rail, port, power and ore-processing infrastructure solutions for the IMIC assets when appropriate. During the course of the period under review, AIOG increased its investment in the Company through a conversion into equity of a US$3m loan provided to IMIC. Mr Cooper will pursue SIM's strategy as Chairman of that Company, and has been appointed in a role of a special Adviser to the IMIC Board, with specific responsibility for handling the key bondholder relationship for the Company. As part of the fundraise, there was a condition to lend US$17 million to Metal Holdings Limited ("MHL"), a parent company to SIM, owned by Ethelbert Cooper, and the Company has made that loan.

In July 2014, we were deeply saddened by the death of Dr Rilwanu Lukman KBE, a Non-Executive Director of the Company since January 2012. He is greatly missed.

Ousmane Kane, who played an important role in the acquisition of Afferro Mining Inc., stepped down from the role of Chief Executive Officer in July 2014, after he had initiated the development strategy for the Cameroonian assets and overseen the launch of the Nkout PFS and the Ntem Scoping Study.

James Ward stepped down as Finance Director in August 2014, and he continues as Company Secretary.

Dr. Babacar Ndiaye made a valuable contribution to IMIC with his financial and diplomatic expertise while serving as Non-Executive Director. He stepped down from the role in February 2015, to focus more on his business commitments in Senegal, his home country.

Mr. Colin Mukete, a prominent Cameroonian businessman who controls Caisse Capital Limited, joined the Advisory Board of IMIC in March 2015. His appointment has not only strengthened the leadership of the Company, but also enhanced local involvement and support for our projects in Cameroon. His appointment followed an investment by Caisse Capital Limited in a US$5 million convertible bond.

In May 2016, Mr Guoping Liu, stepped down from the Board after serving nearly three years as a Non-Executive Director. Having made significant contribution to the Company through the management of the relations with Chinese partners, Mr Liu resigned to allow him to focus on other business interests in Asia.

I am pleased to welcome Mr Manish Kotecha to the Board following his appointment as Non-Executive Director in May 2016. Mr Kotecha is an experienced qualified certified accountant who has held a number of Non-Executive positions. I look forward to working with Manish to drive forward the future growth of the Company.

I would like to express my gratitude to my fellow directors as well as to our staff in London and Cameroon for their continued commitment and contribution to the development of the Company. I also thank the previous directors for the enormous effort they put in over the years. We look forward to the year ahead, as we continue to drive the development of our iron ore projects towards production.

Financials

IMIC recorded a loss after tax of US$138,976,262 (2014: loss US$43,376,485) which equates to a basic loss per share of US$0.78 (2014: loss US$0.40).

The Group performed an impairment review of the tangible assets attributable to the iron ore exploration projects and concluded on a prudent basis impairment was required as at 30 June 2015. As a result, an impairment charge of US$131,404,475 million has been recognised against associated exploration assets and against the costs previously capitalised within intangible assets following the decision to suspend activities at various license areas, located in Cameroon. This largely relates to the iron ore industry, and was triggered by a significant decline in the iron ore prices which were down approximately 30% in Q2 2015 compared to Q2 2014.
Exceptional items resulted in a net loss of US$124,752,352 (2014: loss US$8,320,397). Exceptional items include the impairment of goodwill and exploration and evaluation assets totalling US$154,256,760 as a result of the impairment review carried out by the directors on the Group's iron ore mining assets. The impairment is a reflection of the continued decline in the price of iron ore. The Company also benefited from an exceptional gain of $29,504,408 as a result of restructuring the convertible loan notes.

The Group also incurred finance costs of US$719,027 as a result of renegotiating the terms of bonds. See note 21 for further details.

Cash and cash equivalents as of 30 June 2015 were US$617,986 (2014: US$8,528,348). Over the history of the Company, working capital needs have been met by placing shares and issuing bonds to investors. During the year under review, IMIC raised US$12.8 million in a series of fund raising exercises.

In addition to raising additional funds, IMIC has also been able to successfully restructure its four existing bond instruments, in April 2015, and again after the period ended in October 2015. Negotiations with the bond holders have extended the maturity date of the bonds by 5 years. In addition, the coupon payments have been favourably amended from the existing semi-annual payments to annual payments. These moves have served to increase the Company's cash flexibility over the next few years and also introduce a payment profile which is more appropriate in the current economic environment. A consent solicitation has been approved in 2016 and the details are reflected in note 31.

At a general meeting held on 15 December 2015 the shareholders approved the further proposed restructuring of all the existing bonds in November 2015, which will result in the annual coupon being lowered to 3%, and a deferral of the remaining 2% to the maturity of each existing bond, with bondholders to be granted security for the existing bonds. This restructuring will make the Company's debt commitments manageable and also contributes to rebalancing IMIC's financing obligations. .

Subsequent to the year-end on 9 November 2015, IMIC announced that an additional US$22 million had successfully been raised through the issuance of new bonds. Other iron ore companies had to dispose of their assets at very low values in the current market environment; for example, Equatorial Resources and Glencore's subsidiary Sphere Minerals, have sold their flagship assets at a very low price. IMIC has also paid a price for its US$22 million funding, in that the new bondholders have been granted an option to acquire 49.5% in the Company's assets and exploration licences in the Cameroon, together with royalties against future iron ore production. The proceeds of the bond has been used to advance the development of the Group's assets, including completion of Feasibility Studies for the Ntem project, working capital purposes and service the Group's essential debt obligations.

Following the request of certain Loan Noteholders, certain terms of the Convertible Loan Notes ("CLNs") were amended, as approved by the Company's shareholders at a General Meeting held on 15 December 2015. Effectively, the maturity date of the CLNs has been extended to December 2020. The Loan Noteholders will now have the right to convert their CLNs into IMIC Shares at prevailing market prices and there will be a window twice yearly for that conversion to take place in June and December. In addition, the Company has the right to exercise a cash call option to convert by a Loan Noteholder at a ten per cent premium. If that right is exercised by the Company, the Loan Noteholder concerned will be granted warrants with a 2 year life to subscribe for IMIC Shares. Finally, IMIC will be required to obtain and maintain a listing.

In October 2016 the Bondholders, representing US$112,000,000 of the total outstanding IMIC Group bond issuance, have agreed to further restructure the debt by the amendment to the method of future coupon payments on each instrument that will now revert to their original rates and will be payable either in cash or via payment in kind through issue of new bonds or a combination of the two, at the option of the Company. This will give the Company significant flexibility and may reduce cash outflows. Full details of the amendments are provided in Note 31.

The Company issued additional bonds successfully raising a further US$27 million on 21 October 2016. US$10 million of the proceeds will be used towards the working capital of the Group, including settlement of the tax dispute with the Government of Cameroon, as well as the servicing of the Group's essential debt obligations. As a condition of the bond, the remaining US$17 million has been lent to Metal Holdings Limited, a Canadian private entity wholly owned by Ethelbert Cooper, and a parent company to SIM, on terms that match those of the bond. The funds will be used by MHL for the implementation of their Canadian iron ore related strategy which entails development of a pellet plant and acquisition of the iron ore output from the Ntem mine. On 24 October 2016 the loan to MHL was executed and US$1 million of the loan to SIM was repaid to the Company. The remainder of the loan will be repaid in May 2017.

Outlook

In the year to 30 June 2015, IMIC continued to be focused on the development of our world-class iron ore assets in Cameroon. Despite the prevailing tough commodity price environment, the Company in the subsequent months has been able to secure the necessary funding to continue the accelerated development of its assets and strengthen its cash position. Refer to note 2 of the financial statements.

During 2016 and 2017, further crucial milestones are expected to be achieved at the Ntem iron ore assets. Following the completion of the encouraging Scoping Study and the positive PFS for the Ntem project, work on Ntem will continue with the commencement of the Definite Feasibility Studies at the appropriate time, subject to funding. These steps will all help to monetise the value of IMIC assets as we steadily move towards production. The Company is also exploring with MHL, a Canadian company, a possibility of supplying future iron ore output from Ntem as pellet feed for a pellet plant MHL intends to develop in Canada.

Haresh Kanabar
Chairman
28 October 2016

Strategic Report

Principal activity and business review

The principal activity of the Group is investment in the iron ore mining sector in West and Central Africa and mineral exploration and development of its iron ore assets in Cameroon. The Company's operational activities have been described in detail in the Chairman's Statement which forms part of the Strategic Report.

The Company is registered in England and Wales with number 05143779 as a public limited Company. Its Ordinary Shares were listed on the AIM market of the London Stock Exchange ("AIM") under the symbol 'IMIC' until 10 November 2015. The Group operates through its parent and subsidiary undertakings.

The Group incurred a loss for the year of US$138,976,262 (2014: US$43,376,485). There is also a US$1,343,125 (2014: US$3,559,344) credit in respect of the movement in the fair value of the embedded derivative issued as part of the convertible bond note.

The financial statements include the impairment of goodwill and exploration and evaluation assets totalling US$154,256,760 as a result of the impairment review carried out by the directors on the Group's iron ore mining assets. The impairment is a reflection of the continued decline in the price of iron ore, although, it is the Company's belief that in the longer term the price of iron ore will recover.

The Group also incurred finance costs of US$719,027 as a result of renegotiating the terms of bonds. See note 21 for further details.

The Company controls four iron ore assets in Cameroon, West Africa. Exploration and evaluation assets relate to iron ore mining assets held by the Group's Cameroonian subsidiary, Afferro. During the year the board carried out an impairment review of these assets and concluded that the assets should be fully impaired given the continued decline of iron ore prices. The exploration and evaluation assets now held by the Group are US$ Nil (2014: US$126,649,939).

The cash balance has decreased to US$617,986 at 30 June 2015 (2014: US$8,528,348). This is primarily as a result of extensive work undertaken on the Company's assets as well as interest repayments on the Group's existing debt obligations.

During the year additional working capital loans of approximately US$1.6 million were provided to AIOG; however due to uncertainty over the recoverability of the loans a provision for the entire amount including accrued interest of US$25,587,334 (2014: US$20,507,996) has been charged against the statement of comprehensive income in the year. Borrowings have decreased to US$55,713,050 (2014: US$77,644,151) in part due to the restructuring of convertible loan note instruments.

The results for the year ended 30 June 2015 are set out on page 25.

Strategy review

The Group is focused on the development of significant iron ore resources in West and Central Africa, which are stranded due to the lack of necessary mining related infrastructure.

The Group's long term, subject to available funding, strategy is to acquire interests in or control of junior iron ore miners with assets located in promising iron ore corridors and transforming these assets into commercially viable operations, with the initial focus on the development of the Group's existing assets in Cameroon.

IMIC, with its strategic partner African Iron Ore Group and a consortium of Chinese infrastructure providers, contractors and off-takers, is well positioned, subject to obtaining sufficient financing, to work on delivering the necessary infrastructure solution to develop the vast iron ore deposits in Cameroon and unlock some of the potential of African iron ore. IMIC is also exploring a possibility of exporting future iron ore from the Ntem project as pellet feed for a pellet plant that MHL is looking to develop in Canada.

IMIC has control over four assets, Nkout, Ntem, Akonolinga and Ngoa, located in Cameroon, in a significant iron ore resourced corridor with supportive physical environment and is currently working on a continued advancement of the Ntem and the Nkout projects.

Future prospects and development

The year ended 30 June 2015 was an important year for the Group. The Company was focussed on the development of its iron ore projects in Cameroon and continued to advance its assets post period. That included progressing development of the main deposit, Nkout, by completing the PFS stage and driving Ntem's feasibility studies with the ultimate goal of high grade iron ore concentrate production. IMIC has mobilised high-level expertise, developed actions plans, and is progressing towards achieving that objective.

The Pre-Feasibility Study for Nkout has shown reduced upfront capital requirements for Phase 1 development, improving the project overall economics. The PFS has been completed under the supervision of project lead manager Hatch Goba (Pty) Ltd ("Hatch"), with key inputs from SRK Consulting (UK) Ltd ("SRK"), AMC Consultants Pty Ltd ("AMC"), Environmental Resources Management Limited ("ERM") and IMIC's Chinese consortium partner China Railway Eryuan Engineering Group. Co., Ltd ("CREEC"). The PFS has indicated a robust project which the Company intends to progress to the bankable feasibility study in due course, subject to financing and improvement of market conditions.

In addition, IMIC released an updated resource statement in October 2014, which significantly increased the DSO/Saprolite potential at Nkout to 252 Mt at 43.2%, and in March 2015 an updated resource statement for Ntem which showed an increase in overall mineral resource of 60.8Mt to 176.3Mt and a 148% improvement in total indicated resource to 96.9Mt at 34.92% iron.

IMIC has also completed a detailed Scoping Study for the Ntem project conducted by AMEC Foster Wheeler Earth and Environmental (UK) ltd (AMEC), which has confirmed the potential of that project and demonstrated that it is capable of generating favourable financial returns, at an assumed iron ore price of US$97.53/t at the time of production. The Company is now focussed on advancing the project, with the PFS commenced in Q4 2015 and completed in Q2 2016.

The PFS for the Ntem deposit has confirmed the project's technical and economic potential assumed in the Scoping Study and has presented an attractive development opportunity. The PFS results have highlighted very competitive operating costs, high return on investment, rapid payback period and a viable opportunity to develop a high grade project supported by existing port infrastructure, close proximity to the port and availability of natural gas at Kribi.

Following the results of the PFS, the management is focused on the next key step to advance the development of Ntem and intends to progress to a DFS once global iron ore market conditions improve, subject to financing.

Further to the cancellation of the admission of the Company's ordinary shares to trading on AIM on 10 November 2015, IMIC is determined to secure a listing on another recognised trading platform. It should be noted that there cannot be certainty that the ordinary shares will be admitted to another trading platform.

The Company remains committed to identifying and assessing further strategic acquisitions.

The price of iron ore, affected by numerous factors beyond the Group's control, has been trading downward in recent times due to international, economic and political trends including an increased global production and slower demand resulting from a slowdown in economic growth in China which currently accounts for two-thirds of global iron ore seaborne trade. However, IMIC believes that the current depressed prices are not sustainable in the long term and are expected to improve in the coming years, as China continues its slower but steady growth.

Key performance indicators

During the year ended 30 June 2015, the Directors considered the performance of the share price of the Group to be a Key Performance Indicator. During that year the share price decreased in value, in common with other iron ore miners, by 14.625p (2014: decrease in value of 6p) taking the share price down from 25.75p to 11.125p (2014: decrease from 31.75p to 25.75p). The Company's listing on AIM was cancelled on 10 November 2015.

The Directors also consider the cash position of the Group to be a Key Performance Indicator. During the year ended 30 June 2015 the cash position decreased from US$8,528,348, as at 30 June 2014 to US$617,986, as at 30 June 2015. Just prior to the October 2016 bond issue of US$27 million, the Company has minimal cash resources.

The Group monitors the progress of the infrastructure development projects it has invested in including the relationship agreement with AIOG to finance the Simandou project. The Simandou project seemed to have stalled for the present and there is no certainty in the final outcome. In recognition of this uncertainty the loan to AIOG continues to be fully provided for. Also, the investment in AIOG has been fully provided for.

Principal risks and uncertainties

The principal risk factors and uncertainties which should be taken into account in assessing IMIC's activities, are listed below but are not limited to the below:

The Groups financial and capital risk management policies are set out in note 29 of the consolidated financial statement of this financial report.

Should any one or more of these risks occur, it could have a material adverse effect on the value of securities of IMIC along with the business, prospects, assets, financial position and operating results.

Going concern
The Company is currently at a development stage and does not have any cash inflows from operational activities; therefore, it relies on funds raised through debt and equity. With the current state of the resource market there can be no certainty that the Company would be able to raise the required funds and therefore continues as a going concern. Refer to note 2 of the financial statements.

Admission of ordinary shares to a trading platform

The admission of the Company's ordinary shares to trading on AIM was cancelled of on 10 November 2015. Whilst IMIC continues to seek a listing on another trading platform, there cannot be certainty that the ordinary shares will be admitted to another trading platform. IMIC has outstanding convertible debt obligations that require the Company's ordinary shares being traded on a recognised investment exchange at the time of conversion.

Recoverability of loans

The Group's working capital loans to AIOG in respect of infrastructure projects are inherently risky and dependent upon the successful financial close of projects failing which these unsecured loans will be irrecoverable. The Group confirms outstanding balances with AIOG on a monthly basis and considers the impacts on their recoverability of any updates on projects. As at 30 June 2015 the Group continues to fully impair the working capital loans extended to AIOG due to the uncertainty as to its recovery given current market conditions and in particular developments in respect of the infrastructure project associated with the development of the Simandou South mine.

Political and regulatory risk

The Group's stated investment policy is in mining and infrastructure projects or iron ore in West & Central Africa. The Group is subject to political, economic and environmental risks. The Group monitors the political environment where it has its investments.

Mining is carried out in an environment where not all events are predictable. Whilst an effective management team can, firstly, identify the known risks, and secondly, take measures to manage and mitigate these risks, there is still the possibility for unexpected and unpredictable events to occur. It is therefore not totally possible to remove all risks or state with certainty that an event that may have a material impact on the operation of a mine, will not occur.

The Group is aware that its activities in Africa are not entirely without risk. Cameroon has a diverse economy with a stable environment for development which is supportive of the mining industry. Cameroon also has infrastructure experience and strong power potential.

The country has been stable since the unification in 1962 which has supported a broad based economy. Gross domestic product ("GDP") stands at US$32.5 billion with annual growth of 5.0%. Oil production is approximately 73,000 barrels of oil per day. Agricultural use accounts for 20% of the land in the Cameroon. Iron ore has been historically unexplored but the Government's priority is to help develop the region's mining resources. The Government is experienced with large infrastructure projects. A strategic rail plan of almost US$30 billion is planned and there is also a plan for a network of super highways, including near Nkout. Cameroon benefits from a network of existing and planned hydro and gas-fired power stations.

IMIC has a strong and positive relationship with the Government and local officials. IMIC is considered by the local and regional authorities as a responsibly-acting corporate citizen and held in high esteem. There is a dispute with the Government of Cameroon with respect to the tax demand. The Company is in discussions with the Government and is hopeful that it will achieve a satisfactory conclusion to this dispute.

At present the social impact on the communities directly (or indirectly) involved with, or confronted by, the Nkout and the Ntem projects is minimal and positive.

The main positive aspects are:
- provision of infrastructure by IMIC/Caminex (roads, transport, telecommunication);
- jobs; and
- medical assistance (in case of emergencies, the clinic at the camp provides first aid and emergency services).

While much future effort will be required to formulate and implement the requirements of the requisite:
- Social Integration Scheme;
- Social Mitigation Plan;
- Environmental Impact Plan; and
- Rehabilitation and Recovery Initiatives.

IMIC has a declared commitment to the achievement of these objectives.

Current activities of IMIC have been implemented with due consideration of minimising environmental impact and future rehabilitation/recovery.

The Group believes that providing IMIC continues to apply its efforts with the vigour expended, then all future requirements and commitments will be satisfactorily fulfilled and that social and environmental impact of the Nkout and the Ntem projects will be minimised.

IMIC recognises its responsibility to develop and implement an ‘Integration Scheme’ which will support and enable a structured adaptation to a different life-style by the affected indigenous peoples of the area around Nkout and Ntem. IMIC intends to address the above, together with any associated ‘Minority Protection Issues’ through the performance of a ‘Social Impact Assessment’ and the creation of a ‘Social Mitigation Plan’.

In recognition of its environmental responsibilities, the Group acknowledges that, after completion of exploration activities, the exploration sites will be deconstructed and the sites rehabilitated to the pre-exploration stage.

The future development of the iron ore deposits requires a detailed Environmental and Social Impact Assessment (“ESIA”). The ESIA must cover not only the impact of mining and ore processing activities on the environment; but also those impacts of the associated railway, roads, port, water supply, power and other activities.

IMIC is aware that the format and contents of the necessary ESIA will be required to satisfy the legal requirements of the Government of Cameroon, those international standards specified by The World Bank and major financial institutions. IMIC is committed to fully comply with all legal requirements and internationally accepted standards.

Rehabilitation and re-vegetation of areas affected by project activities will be commenced as soon as possible during the operations. The projects will establish plant nurseries to assure re-forestation can be accomplished as soon as possible, preferably with native plant varieties and species.

Concurrent mining and reclamation practices will be followed wherever technically and operationally possible.

An ‘Environmental Management Plan’ (“EMP”) will be developed and implemented by IMIC. The EMP will include detailed proposals for a monitoring program to document impact by the project, success of mitigation efforts, and compliance with applicable environmental Cameroonian standards to the extent existing or international standards (World Bank, US-EPA and alike). The contents, issue and distribution of regular monitoring and compliance reports will be organised in accordance with the approved EMP and regulations imposed by EPA.

Exploration, development and mining risk

The business operations of the Group are subject to risks and hazards inherent to the mining industry. The exploration for and the development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate.

It is not certain that the Group’s proposed exploration programmes will result in profitable commercial mining operations. Furthermore, each exploration permit is required by the mining code to be renewed every two years. In particular, the Nkout permit was renewed in July 2013 and a permit renewal has been submitted to the Ministry of Mines in April 2015 with the file being currently at the Presidency of the Republic of Cameroon for approval. The Ntem permit was renewed in February 2015. The Ngoa and Akonolinga permit renewals have also been submitted the Ministry of Mines and awaiting approval.

Economic, marketing and commodity price risks

The profitability and cash flow of the Group’s operations will be dependent upon the marketability and market price of iron ore. The market price has fluctuated widely, particularly in recent years. Fluctuations in iron ore prices and, in particular, a material decline in the price of iron ore may have a materially adverse effect on the Group’s business, financial condition and results of operations. Iron ore prices could affect the viability of exploring and/or developing the Group’s interests and the economic prospects of the projects in which the Group has an interest could be significantly reduced or rendered uneconomic.

The marketability and price of iron ore that may be acquired or discovered by the Group will be affected by numerous factors beyond the control of the Group, including market fluctuations in the prices of iron ore, international supply and demand, the level of consumer demand and global economic and political developments.

Foreign exchange risk

The Company has secured financing totalling US$12.8 million, which included debt of US$7.8 million and equity of US$5.2 million, during the year denominated in US dollars. Except for the Afferro convertible loan notes, all other existing obligations of the Group are denominated in US dollars. The Group is therefore exposed to significant fluctuation in the foreign exchange rate, as a consequence of the Company’s functional currency being sterling. The Group monitors foreign exchange movements and holds cash in US dollars to minimise its exposure to risk.

The Group has taken measures to reduce its exposure to currency risk by entering into contracts denominated in US dollars whenever possible and most of the Group’s expenditure is in US dollars. The Group has taken no other action to reduce its exposure to foreign currency risk during the year.

Financing risk and debt repayment

The ability of the Group to finance future capital investment for the exploration, development and continuing operation of its projects and for the refinancing of its existing debt is dependent on, amongst other things, the Group's ability to raise additional funding through equity or debt financing or to enter into joint ventures or production sharing arrangements or otherwise bring in a partner to share costs. There can be no assurance that such additional financing or a suitable partner will be available when needed or, if such financing is available, that the terms of the financing will be commercially acceptable to the Group.

The Group ensures that its liquidity risk is mitigated by placing financial assets on short term maturity, thus all financial liabilities are met as they become due, and by monitoring both the debt and equity markets for funding opportunities. In addition, the Group maintains strong relationships with its investors.

Reliance on key personnel

In common with other services and businesses in the mining sector, the Group's business will be dependent on recruiting and retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Group will be, to a significant extent, dependent on the expertise and experience of the Directors and senior management and the loss of one or more could have a material adverse effect on the Group.

Health and safety

The Group is required to comply with a range of health and safety laws and regulations in connection with its business activities and will be required to comply with further laws and regulations if and when production commences.

Due to the nature of the Group's operations, there is a risk that substantial damage to property or injury to persons may be sustained during the Group's exploration activities. Any such damage or injury or a violation of or a failure to comply with health and safety laws and instructions relating to its operations could have a material adverse effect on the Group's business, reputation results of operations, financial condition and prospects. The Group ensures that all staff are appropriately trained in health and safety procedures which are reviewed on a timely basis.

Approval of the Board

This Strategic report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with an exploration, development and mining Company. While the Directors believe the expectation reflected herein to be reasonable in the view of the information available up to the time of the Board's approval of this Strategic report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but, for example, resulting from a change of strategy.

On behalf of the Board:

Haresh Kanabar
Chairman
28 October 2016

Board of Directors

The Board of Directors comprises of:

Haresh Kanabar (57) Executive Chairman

Haresh Kanabar is a highly experienced Company director with an extensive knowledge of corporate governance gained in non-executive and executive positions at publicly quoted companies. His expertise spans several industries including natural resources, where his experience includes the iron ore, oil and gas, and gold mining sectors. Haresh qualified as a certified accountant in 1986 and in his early career he held finance positions at a number of larger companies in sectors including pharmaceuticals, publishing and FMCG before focusing on acquisition-led growth at companies predominantly quoted on the AIM market.

Haresh has been a Director of IMIC plc since 2007 and served as the Company's Chairman between 2007 and 2014 and Chief Financial Officer between 2014 and 2016. He is also currently a director of private and AIM-quoted companies including Aurum Mining Plc, Hermes Pacific Investments Plc, Silentpoint Ltd, Silentpoint Property Limited and Venteco Plc.

Haresh was appointed as Chairman of IMIC on 20 May 2016 and has served as acting Chief Executive Officer with effect from 31 July 2014.

Ethelbert Cooper (61) Non-Executive Chairman

With over 35 years of experience in the African natural resources sector, Mr Cooper has been involved in a number of highly successful ventures. During the 1980s and 1990s, he played a key part in the restructuring and management of Liberia's largest iron ore mining project, Lamco/Liminco, and in 2005 he was one of two principal co-founders of Afren Plc, a former FTSE 250-listed pan-African oil and gas Company.

Mr Cooper is the Founder and Chairman of African Iron Ore Group Limited, IMIC's strategic partner. Mr Cooper has been instrumental in the formation of an alliance of large Chinese state-owned corporations to support IMIC and AIOG projects through provision of an integrated package of rail, port, power and ore processing infrastructure solutions.

Reflecting his progressive agenda on social issues, Mr Cooper is a member of the President's Council of International Advisors at Yale University ("PCIA") and a member of the Advisory Board of the WEB Du Bois Institute of African Studies at Harvard University. He has also endowed the establishment of Cooper Gallery of African and African-American Art at Harvard University, and has also been a pioneering contributor for a new drive to build greater support of African issues at Yale University. Mr Cooper earned a BA in Economics from Yale University in 1974.

Mr Cooper was appointed to the board of IMIC on 3 November 2014 and resigned from the board of IMIC with effect from 20 May 2016.

Ousmane Kane (59) Chief Executive Officer

Ousmane Kane has a wealth of experience in leading Mauritanian and pan-African public institutions. Prior to joining IMIC, Mr Kane was a Senior Adviser to Mauritania's Head of State and a Vice President of the African Development Bank. He served as Minister of Finance and as the Governor of the Central Bank of Mauritania and was Director General of Mauritania's state-owned iron ore Company and Africa's second-largest iron ore exporter, Société Nationale Industrielle et Minière ('SNIM') where he successfully implemented a US$1 billion modernisation project. He was largely involved in the West and Central African iron ore sector while serving as Vice Chairman of African Iron Ore Group and as a Non-Executive Director of TSX-V and formerly AIM-listed Afferro Mining Inc. Mr Kane is a qualified engineer and a graduate of the Ecole Polytechnique in France.

Ousmane resigned from the board of IMIC with effect from 31 July 2014.

Manish Kotecha (52) Non-Executive Director

Manish Kotecha is an experienced qualified certified accountant. He has been a Director at MK Accountants Limited since 2007 and Remkay Ltd since 2013. Prior to this role, Mr Kotecha was principal accountancy practitioner at M Kotecha & Company and Finance Manager for Acacia Foodservice Limited. Mr Kotecha was previously Non-Executive Director of EVR Holdings Plc and NGS Corporation Plc.

Mr Kotecha was appointed to the board of IMIC on 19 May 2016.

Liu Guoping (64) Non-Executive Director

Mr Liu Guoping, a well-known figure in Chinese iron ore and steel industry, held a position of Senior Vice President of China Railway Materials Company Limited ("CRM") for 14 years since 1997. CRM is a major Chinese state-owned enterprise focused on providing integrated services in the railway industry and the largest steel trading enterprise in China. Prior to that, he assisted in the development of CRM's Hong Kong division as General Manager for two years. Mr Guoping gained vast experience in the West African iron ore industry while serving as Non-Executive Director of African Minerals Limited between 2010-2012, during which time he contributed to the development of that Company's financial strategy and facilitated relationships with iron ore off-takers. Mr Guoping was Non- Executive Director of Australian FerrAus Limited. Presently, he is a chairman of Orix Group China, a Tokyo and NYSE listed integrated financial services group, and Orix Asia Limited. He is a senior economist and a graduate of Heilongjiang University in China.

Mr Liu Guoping was appointed to the board of IMIC on 9 September 2013 and resigned with effect from 20 May 2016.

Dr Babacar Ndiaye (78) Non-Executive Director

Dr Babacar Ndiaye is the Ambassador at large of Senegal. His professional career was predominantly with the African Development Bank. During his time there, he was awarded International Banker of the Year 1984 by the influential International Finance Review and served two terms as President.

He is also a founder of the African Business Round Table ("ABR") and the African Export Import Bank ("Afreximbank"), a member of the African Forum of former African Heads of State and Government and other African leaders, a member of the Presidential Council for investment in Mauritania, a member of the Scientific Committee of Teresys Foundation and Chairman of the West African Observatory of Business Ethics. Dr Ndiaye is a chartered accountant, a graduate of l'Ecole Superieure de Commerce, Toulouse, l'Institut d'Etudes Politiques 'Sciences Po', Paris, and Centre d'Etudes Bancaires et Financieres, Paris. Dr Ndiaye was also awarded honorary doctorates by Clark Atlanta University, Atlanta Georgia and Lincoln University, Philadelphia.

Dr Ndiaye resigned from the board of IMIC with effect from 11 February 2015. Dr Ndiaye was a member of the Audit and Chairman of the Remuneration Committee.

Dr Rilwanu Lukman (deceased) Non-Executive Director

Dr Rilwanu Lukman, KBE, an internationally known and respected figure in the oil and gas industry, with over forty years of experience in that sector. He was the Honorary Advisor on Energy and Strategic Matters to the President of Nigeria, a former President and Secretary General of OPEC, a former Nigerian petroleum minister, Founder and Chairman of the African Petroleum Producers Association and one of the founders of Afren plc, a former FTSE250 Company. Dr Lukman held a Bachelor of Science degree from the Royal School of Mines, Imperial College (London) and follow-on diplomas and certificates, including doctorates, from prestigious institutions including the University of Leoben (Austria), McGill University (Montreal), University of Bologna (Italy), Ahmadu Bello University and the University of Maiduguri in Nigeria. He was made an Officer of the Legion d'Honneur of France in 1990.

Sadly, on 21 July 2014, Dr Lukman passed away. Dr Lukman was the chairman of the Audit and a member of the Remuneration Committee.

James Ward (42) Company Secretary

James Ward is a qualified Chartered Accountant and Chartered Company Secretary. James has many years of experience advising AIM and Main Market companies. His natural resources experience included acting as the finance director of Global Coal Limited whose shareholders include Glencore, BHP-Billiton, Anglo American and Rio Tinto. He is Chief Financial Officer of Hannam & Partners LLP, an independent corporate finance advisory firm. Prior to that, he was managing director of Whale Rock Accounting Limited; a division of Capita plc specialising in accounting solutions to the natural resource sector. In addition, he previously assisted Gasol Plc as interim financial controller. He has also advised a number of investment and private funds in the sector. Prior to this he worked on PPP/PFI infrastructure projects with Vinci and Willis' Construction insurance team. He trained at Grant Thornton.

James was serving as Finance Director until his resignation from the board of IMIC effective on 14 August 2014. James continues as Company Secretary.

Directors' report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report for the year ended 30 June 2015. The Corporate Governance Statement on pages 21-22 forms part of this report.

Going concern
The audited results for the year reflect the current nature of the Group's activities being mineral exploration and project development. The current nature of the Group's activities does not provide it with production or trading revenues, and its funding is therefore reliant on the support of existing investors, and the major bondholder in particular.

Subsequent to year end, the Group secured additional bond funding through two issues raising gross proceeds of US$22 million in November 2015 and US$27 million in October 2016. The US$22 million funds have been used to enable the Group to complete the Ntem and Nkout pre-feasibility studies. Following the utilisation of these funds a further bond raising was made on 21 October 2016. Of the gross US$27 million proceeds raised, and as a condition of the bond, US$17 million has been on-lent to Metal Holdings Limited (MHL) on terms that match those of the bond for the purposes of pursuing its Canadian iron ore related strategy. The funds will be used by MHL for the implementation of their Canadian iron ore related strategy which entails development of a pellet plant and acquisition of the iron ore output from the Ntem mine

The credit risk for the $17m on-lent lies with the bond holder, further details of the terms and conditions of this loan arrangement are disclosed in note 31 of the financial statements. The remaining US$10 million raised will be used to fund the Group's working capital requirements for the next twelve months, including servicing its debt obligations.

However, following the latest bond issue and based on latest forecast cash flows, the Group only has sufficient cash resources to fund its activities through to November 2017, at which point it will require additional sources of external funding to enable it to continue to meet its liabilities as and when they fall due.

During December 2015 the Group's Convertible Loan notes were amended by agreement with the note holders and ratified by IMIC shareholders. Under the amended terms the maturity date of the loan notes was extended by 5 years to 21 December 2020. This resolution was passed on 14 December 2015 and was then subsequently passed by the shareholders on 15 December 2015. One of the conditions inclusive in the Convertible Loan notes is the requirement that the Group is required to maintain a listing on a registered exchange. At the signing date of the financial statements IMIC had not yet relisted and therefore is in breach of the loan note covenants.

Under the terms of the loan notes the holders have the right to convert their CLNs into IMIC Shares at prevailing market prices in two twice yearly windows in June and December. If IMIC are not listed during a conversion window then this will be deemed to be a listing failure. In the event that a listing failure occurs for a second time in a subsequent period IMIC can in relation to that second conversion request be required to redeem the Loan notes for cash at the second conversion date. The Directors plan to list the Group on ICAP Securities & Derivatives Exchange (ISDX) by the end of the 2016 calendar year.

The Group's objective is ultimately to re-list its shares on a registered market, raise additional equity and debt funding that would strengthen the balance sheet to continue operations, complete defined feasibility studies and meet debt and interest obligations. Further funds would then be required to develop its Cameroon mine assets, with one option being to provide feed for the Pointe-Noire pellet plant in Quebec as part of MHL's proposed implementation of its Canadian iron ore related strategy.

The directors believe the bondholders will continue to support IMIC until iron ore markets improve and further funding is obtained. Nevertheless they acknowledge that there is significant uncertainty over the Group's ability to raise this additional medium term funding and funding to develop the resources should the market improve. Furthermore, such funding would depend on the Government of Cameroon continuing to renew the licences for the Group's main exploration assets, Nkout and Ntem. Nkout's licence renewal application was submitted in April 2015, and Ntem's licence runs to 5 February 2017. The Group believes these permits are in good standing, and has a history of successful renewal every two years.

On the basis of the recently raised bond funds and the continued support from the existing investors, and the major bondholder in particular, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, while the Directors believe that the Group will obtain additional equity or debt funding sufficient to enable it to continue in operational existence for the foreseeable future, they have concluded that the lack of sufficient committed funds beyond the next twelve months along with the uncertainty of a future listing represents material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Dividends

The loss for the year was of US$138,976,262 (2014: US$43,376,485). The results for the year ended 30 June 2015 are set out on page 25.

The Directors do not recommend the payment of a dividend for the year to June 2015 (2014: US$ nil).

Directors
The following Directors have held office since 1 July 2014 to the date of authorisation of the accounts:

Non-Executive Chairman
E.J.L Cooper (appointed 3 November 2014, resigned 20 May 2016)

Executive Directors
H. D. Kanabar
O. Kane (resigned 31 July 2014)
J. Ward (resigned 14 August 2014)

Non-Executive Directors
M. Kotecha (appointed 19 May 2016)
B. Ndiaye (resigned 11 February 2015)
R. Lukman (deceased 21 July 2014)
L. Guoping (resigned 20 May 2016)

Subsequent events

Loan facility
The Company entered into a loan facility agreement with Heretown Securities Corporation Ltd on 23 September 2015, which provided additional funding facility of up to US$1 million for working capital purposes, of which US$98,637 has been drawn down and subsequently repaid with accrued interest. As at 27 October 2016 there is no outstanding balance on this facility. This facility has now expired and the Company has no ability to make any further drawdowns under this facility.

AIM listing
On 8 October 2015, the Company announced the suspension of its ordinary shares from trading on AIM following the resignation of its Nominated Adviser.

At that time, the Company informed the market that its Cameroonian subsidiary Caminex SA ("Caminex") received a capital gains tax claim from the Tax Authorities in Cameroon in connection with the 2013 acquisition of Afferro Mining Inc. ("the Acquisition"). The Company has subsequently consulted professional tax and legal advisers who have confirmed that the tax charge does not comply with Cameroonian tax law as applicable at the time of the Acquisition, and that the total amount of tax demanded is without justification. The discussions with the Cameroon tax authorities with a view of a final settlement are ongoing.

The admission of the Company's ordinary shares to trading on AIM was cancelled with effect from 10 November 2015.

Afferro Convertible Loan
On 6 November 2015, the Company issued written notice to the holders of 8% convertible loan notes ("Convertible Loan Notes"), issued as part of the consideration for the Acquisition in December 2013, that the Convertible Loan Notes and the outstanding balance of interest will be converted into Ordinary Shares of the Company.

Subsequently, The Loan Noteholders have requested the Company to convene a meeting of the Loan Noteholders to consider an extraordinary resolution to amend certain terms of the Loan Notes. The extraordinary resolution was passed by the required majority of votes at the Loan Noteholders' meeting held on 14 December 2015. Effectively, the maturity date of the Convertible Loan Notes has been extended to December 2020. The Loan Noteholders will now have the right to convert their Loan Notes into IMIC Shares at prevailing market prices and there will be a window twice yearly for that conversion to take place in June and December. In addition, the Company has the right to exercise a cash call option to convert by a Loan Noteholder at a ten per cent premium. If that right is exercised by the Company, the Loan Noteholder concerned will be granted warrants with a 2 year life to subscribe for IMIC Shares. Finally, IMIC will be required to obtain and maintain a listing.

US$22 million New Bond
On 9 November 2015, IMIC announced that US$22 million had been raised via a New Bond. The New Bond was issued for a 4 years term, bearing interest at the fixed rate of 15% per annum with 3% payable on 5 November in each year starting in 2016. The remaining 12% is deferred and payable with the principal amount of the New Bond at maturity.

The terms of the New Bond require that Caminex grants a security trustee for the New Bondholders the option to acquire 4,903 shares in Caminex ("Caminex Option") which equates to a 49.5% stake in Caminex. The option is exercisable at the nominal value. The enlarged share capital of Caminex will be 9,905 shares with a nominal value of Central African francs 10,000 (US$16.35) per share.

Caminex has agreed to make a royalty payment to the New Bondholders over a 35 year term. This is subject to a Royalty Agreement being entered into and relates to the payment of 100 cents per tonne produced at the Caminex mine at Ntem, targeted at 4 million tonnes over the life of mine, and 25 cents per tonne produced at the Caminex mine at Nkout, targeted at between approximately 16 million tonnes initially and rising to 35 million tonnes.

The Company has agreed to grant the New Bondholders and the existing bondholders security over all the Company's shares in Caminex, IMIC's operating subsidiary which holds the Ntem, Nkout and Akonolinga iron ore assets in Cameroon, representing 99.4% of the issued share capital of Caminex.

Bonds restructuring
Also on 9 November the Company announced further proposed changes to the terms of its four existing bond instruments which lowered the rate of coupon on all existing bonds payable on an annual basis to 3% and deferring the remaining 2% to the maturity of each existing bond.

Pre-Feasibility Studies
In November 2015 the Company completed both the Phase 1 Pre-Feasibility Study and the Full PFS, which indicate attractive economics for the Nkout project located in Southern Cameroon. The adapted approach of phased development for the Nkout project presents significant advantages, including reduced capital and financing requirements and maximised return on capital.

General Meeting
On 15 December 2015 the Company held a General Meeting, whereat the proposed resolution was duly passed. The Company's shareholders approved, inter alia, the proposed amendments to the terms of Convertible Loan Notes and the terms of the New Bond. Following the approval, the Company withdrew and cancelled the conversion notice served upon the Loan Noteholders on 6 November 2015.

Pre-Feasibility Studies
PFS for the Ntem deposit was completed in May 2016. The study confirms the project's technical and economic potential and presents an attractive development opportunity. The PFS confirms very competitive operating costs and an opportunity to develop a high grade project supported by existing port infrastructure, close proximity to the port and availability of natural gas at Kribi.

General Meeting
Upon the request from IMIC's substantial shareholder, AIOG, the Company convened a general meeting of shareholders of the Company whereat the resolution for the Company to enter into a Loan Agreement for US$ 2,500,000 with Société Internationale Métallique (Canada) Limitée was passed. The general meeting was held on 18 May 2016 and the Loan was advanced to SIM thereafter.

Board Changes
On 19 May 2016 Mr Manish Kotecha was appointed to the Board of IMIC as Non-Executive Director.

On 20 May 2016 Mr Ethelbert Cooper stepped down from the Board of IMIC with immediate effect to pursue a role of Chairman of SIM. Mr Cooper has been succeeded by Haresh Kanabar, former Chief Financial Officer and Chairman of IMIC. Mr Kanabar has been a director of IMIC since 2007 and remains committed to driving the Company's strategy and the development of IMIC's assets to production.

On the same day, having served nearly three years as Non-Executive Director, Mr Gouping Liu resigned from the Board of IMIC with immediate effect to focus on other business commitments in Asia.

Further bonds restructuring
In October 2016 the Bondholders, representing US$112,000,000 of the total outstanding IMIC Group bond issuance, have agreed to further restructure the debt by the amendment to the future coupon payments on each instrument that will now revert to their original rates and will be payable either in cash or via payment in kind (PIK) through issue of new bonds or a combination of the two, at the option of the Company. This will give the Company significant flexibility and may reduce cash outflows.

The below amendments were formalised at the Bondholders meetings on 5 and 7 October 2016 and by extraordinary resolution on 12 October 2016:

- US$30 million bond due 30 October 2021, ISIN XS0913978382
  - the interest rate will revert to the original rate as per the original bond instrument of 8.75% payable on an annual basis with effect from 30 October 2014;
  - all accrued and unpaid interest up to 30 October 2015 amounting to $1,725,000 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 30 October 2015 $31,725,000;
  - interest due on 30 October 2016 in the sum of $2,775,938 will not be paid in cash but shall be settled by the issue of additional Bonds;
  - with effect from 30 October 2017 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;

  - any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 8.75% from the date interest was due;
  - on maturity the Bonds will be repayable at par;
  - there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.
- US$20 million bond due 30 October 2021, ISIN XS0942222653
  - the interest rate will revert to the original rate as per the original bond instrument of 8.875% payable on an annual basis with effect from 30 October 2014;
  - all accrued and unpaid interest up to 30 October 2015 amounting to $1,175,500 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 30 October 2015 $21,175,000;
  - interest due on 30 October 2016 in the sum of $1,879,281 will not be paid in cash but shall be settled by the issue of additional Bonds;
  - with effect from 30 October 2016 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;
  - any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 8.875% from the date interest was due;
  - on maturity the Bonds will be repayable at par;
  - there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.
- US$30 million bond due 20 December 2020, ISIN XS0996442736
  - the interest rate will revert to the original rate as per the original bond instrument of 9% on an annual basis with effect from 20 December 2014;
  - all accrued and unpaid interest up to 20 December 2015 amounting to $1,800,000 will be by the issue of additional Notes making the revised amount of issued Notes as at 20 December 2015 $31,800,000;
  - interest due on 20 December 2016 in the sum of $2,862,000 will not be paid in cash but shall be settled by the issue of additional Notes;
  - with effect from 20 December 2017 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Notes or a combination of the two;
  - any interest that is settled by the issue of additional Notes will mean that interest will be payable on those Notes at the rate of 9% from the date interest was due;
  - on maturity the Notes will be repayable at par;
  - there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.
- US$22 million bond due 5 November 2019, ISIN XS1311328329
  - the interest rate to the original rate as per the bond instrument of 15% on an annual basis with effect from 5 November 2016;
  - all accrued and unpaid interest up to 5 November 2016 amounting to $3,300,000 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 5 November 2016 $25,300,000;
  - with effect from 5 November 2016 (the annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;
  - any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 15% from the date interest was due.
- US$10 million bond due 18 October 2020, ISIN GB00B8FT2R86
  - the interest rate to the original rate as per the original bond instrument of 8.125% on an annual basis with effect from 18 October 2014;
  - all accrued and unpaid interest up to 18 October 2015 amounting to $512,500 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 18 October 2015 $10,512,500;
  - interest due on 18 October 2016 in the sum of $854,141 will not be paid in cash but shall be settled by the issue of additional Bonds;
  - with effect from 18 October 2017 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;
  - any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 8.125% from the date interest was due;
  - on maturity the Bonds will be repayable at par;
  - there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.

US$27 million October 2016 Bond

The Company successfully raised a further US$27 million on 21 October 2016 through additional bonds issue. US$10 million of the proceeds will be used towards the working capital of the Group, including settlement of the tax dispute with the Government of Cameroon, as well as the servicing of the Group's essential debt obligations. As a condition of the bond, the remaining US$17 million has been lent to Metal Holdings Limited on terms that match those of the bond for purposes of implementation of their Canadian iron ore related strategy. On 24 October 2016 the loan to MHL was advanced. On the same day US$1 million of the loan to SIM, a subsidiary of MHL, was repaid to the Company and the remainder of the loan will be repaid in May 2017.

Future development

For details of future developments refer to the Strategic report set out on pages 7 - 11.

Substantial shareholdings

The Group is aware of the following shareholdings of 3% or more in the share capital as at 27 October 2016:

Shareholder	Number of Shares	%
Niel Infrastructures S.A.	45,000,000	22.92%
Delorean Trading Inc	28,148,148	14.34%
Sorena Holdings Limited	21,574,074	10.99%
African Iron Ore Group Limited	19,610,423	9.99%
Dew Tuan Wleh Mayson	18,500,000	9.42%
GS Banque SA	12,738,853	6.49%
African Ventures Fund	12,154,333	6.19%
System Trade Services Limited	12,129,629	6.18%

Financial instruments

The Group's financial risk management objectives and policies are discussed in note 29 to the consolidated financial statements.

Remuneration policy

The Group takes into account both Group and individual performance, market value and sector conditions in determining Director and senior employee remuneration. The Group has maintained a policy of paying salaries comparable with peer companies in the mining sector in order to attract and retain key personnel.

Directors' remuneration and Directors' interests

	Salary	Pension	Fair value of options	Bonus	Termination pay	Total remuneration 2015 US$	Total remuneration 2014 US$
E.J.L Cooper*	243,775	-	-	150,000	-	393,775	-
H. D. Kanabar	337,858	16,892	-	236,265	-	591,015	994,587
O. Kane**	68,254	-	-	-	850,553	918,807	1,081,692
J. Ward**	27,289	-	-	-	-	27,289	598,596
L. Guoping	63,004	-	-	-	-	63,004	75,607

B. Ndiaye**	63,004	-	-	--	-	63,004	80,888
R. Lukman**	-	-	-	-	63,934	63,934	80,888
	803,184	16,892	-	386,265	914,487	2,120,828	2,912,258

* Ethelbert J.L. Cooper was appointed as a Director on 3 November 2014 and resigned on 20 May 2016.
** Ousmane Kane, James Ward, Babacar Ndiaye and Rilwanu Lukman ceased to serve as Company's Directors during the year.
L Guoping resigned as director on 20 May 2016.

The Directors, who held office at 30 June 2015, had the following interests in the shares of the Group; these holdings changed from June 2014:

	Number of share options held at 30 June 2015*	Ordinary Shares as % of issued share capital	Number of Ordinary Shares held at 30 June 2015	Number of Ordinary Shares held at 30 June 2014
E.J.L Cooper	-	19.409%	38,110,423	17,099,696
H. D. Kanabar	1,440,000	-	-	-
O. Kane	-	-	-	-
J. Ward	-	0.012%	22,931	22,931
L. Guoping	160,000	-	-	-
B. Ndiaye	160,000	0.025%	48,375	48,375
R. Lukman	-	-	-	48,375
	1,760,000	19.446%	38,181,729	17,219,377

* Share options are exercisable at 0.27p and expire on 19 December 2023.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Ernst & Young LLP be re-appointed as auditors of the Group will be put to the Annual General Meeting.

Indemnity of Directors

The Group has purchased and maintains, for all Directors, insurance against any liability and the Group maintains appropriate insurance cover against legal action bought against its Directors.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic and Directors' report and the Group and the Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

Under Company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the Group financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditors

So far as the Directors are aware:

(a) there is no relevant audit information of which the Company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Haresh Kanabar
Director
28 October 2016

AIM Status

The Company's entire issued share capital was listed on AIM up until 10 November 2015 when the admission of the Company's Ordinary Shares to trading on AIM was cancelled.

The statements below refer to the time when the Company was listed on AIM. The Company's position on the below matters remains unchanged.

Risk Management and Corporate Governance

The Group has adopted a model code for Directors' and certain employee share dealings which the Directors believe is appropriate for an unlisted quoted Company.

The Board of Directors

The Board of Directors is responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions, and reporting to the shareholders.

All Non-Executive Directors are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement, with the exception of the former Chairman, Ethelbert Cooper, who is the founder and chairman of African Iron Ore Group Ltd., a strategic partner of IMIC.

The Group intends to hold at least four Board meetings throughout each year.

The Board of Directors is detailed on pages 12 and 13.

Compliance with the Bribery Act

At IMIC we uphold all laws relevant to countering bribery and corruption in all jurisdictions in which we operate, including the Bribery Act 2010 which came into force on 1 July 2011. In order to comply with the Bribery Act 2010, the Group has engaged external professionals to advise on implementing adequate procedures on an ongoing basis, including training its staff at all levels on anti-bribery policies and communicating internally and externally its zero-tolerance approach to bribery and corruption within our business and indeed within the businesses of those we work with.

Attendance at Board Meetings

Owing to the international aspect of the Group and its Board in the year Board meetings were held by telephone and/or in person. All the Board attended or dialled into each formal Board meeting. The board met eleven times during the year.

Internal financial control and reporting

The Board is responsible for establishing and maintaining the Group's system of internal controls and reviewing its effectiveness. The procedures, which include financial, compliance and risk management, are reviewed on an on-going basis. The Board approves the annual budget and performance against budget is monitored and reported by the Board. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has considered the need for an internal audit function but does not consider it necessary at the current time with the current controls in place and the relative complexity of the business. IMIC's financial management team is currently reviewed and approved by Haresh Kanabar, Chairman.

Whistleblowing procedures

The Group's 'whistleblowing' procedures ensure that arrangements are in place to enable employees and suppliers to raise concerns about possible improprieties on a confidential basis. Any issues raised are investigated and appropriate actions are taken. Should any significant issue arise they are highlighted to the Board.

Non-audit services

The Board review the appointment, reappointment and removal of external auditors and approves their remuneration and terms of engagement including developing and implementing a policy on the provision of non-audit services by the external audit firm. It also reviews and monitors the independence and objectivity of the external auditor.

Relations with shareholders

The Group reports to shareholders twice a year. The Group dispatches the notice of its Annual General Meeting, together with a description of the items of special business, at least 21 days before the meeting. Each substantially separate issue is the subject of a separate resolution and all shareholders have the opportunity to put questions to the Board at the Annual General Meeting. The chairmen of the Audit and Remuneration Committees normally attend the Annual General Meeting and will answer questions which may be relevant to their responsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC

We have audited the Group financial statements of International Mining & Infrastructure Corporation plc for the year ended 30 June 2015 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going Concern

In forming our opinion, which is not modified in this respect, we have also considered the adequacy of the disclosures made in note 2 to the financial statements concerning the Group's ability to continue as a going concern. The conditions described in note 2 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the parent company financial statements of International Mining & Infrastructure Corporation plc for the year ended 30 June 2015.

Steven Dobson (Senior statutory auditor)

for and on behalf of Ernst &Young LLP, Statutory Auditor

London

Date:

Notes:

1. The maintenance and integrity of the International Mining & Infrastructure Corporation plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 June 2015 US$	30 June 2014 US$
Administrative expenses	6	(6,967,742)	(6,125,726)
Impairment of exploration and evaluation assets	11	(131,404,475)	-
Impairment of goodwill	4	(22,852,285)	-
Exceptional item -Loss on conversion of short term loan	6	(3,889,967)	-
Operating loss		(165,114,469)	(6,125,726)
Provision non-current loans and receivables	15	(1,614,911)	(20,507,996)
Finance income	7	1,139	3,968,708
Finance cost	7	(24,738,242)	(19,838,594)
Exceptional items	6	33,394,375	(8,320,397)
Net foreign exchange (loss)/gain	7	(4,731,460)	5,052,516
Gain on disposal of available for sale investments	25	-	2,807,597
Impairment of investments	13	(168,104)	-
Impairment of available for sale investments	14(a)	-	(11,681)
Change in fair value of investment at FVTPL	14(b)	-	553,202
Change in fair value of embedded derivative	22	1,343,125	3,559,344
Fair value of shares issued under anti-dilution agreement	13	(200,000)	(4,513,458)
Loss before taxation		(161,828,547)	(43,376,485)
Tax credit	9(a)	22,852,285	-
Loss for the year		(138,976,262)	(43,376,485)
Loss per ordinary share			
Basic and diluted loss per share	10	(0.78)	(0.40)
Loss for the year		(138,976,262)	(43,376,485)
Other comprehensive income for the year, net of tax			
Translation of foreign operations			
Exchange differences during the year		7,410,585	(900,073)
Net other comprehensive income/(loss) to be classified to profit or loss in subsequent periods (net of tax)		7,410,585	(900,083)
Total comprehensive loss for the year (net of tax)		(131,565,677)	(44,276,565)

All losses and other comprehensive loss for the current and previous years are attributable to equity shareholders of the parent.

All results relate to continuing activities.

INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	30 June 2015 US$	30 June 2014 US$
Assets			
Non-current assets			
Exploration and evaluation assets	11	-	126,649,939
Goodwill	4	-	22,852,285
Property, plant and equipment	12	1,624,556	2,300,438
Investments – AIOG	13	-	181,728
Investments – Available for sale	14(a)	-	-
Investments – Fair value through profit and loss	14(b)	-	-
Loans and receivables	15	-	-
Restricted cash	16	317,704	608,091
Total non-current assets		**1,942,260**	**152,592,481**
Current assets			
Cash and cash equivalents	17	617,986	8,528,348
Other receivables	15	806,441	687,243
Inventories	18	2,177,086	219,584
Total current assets		**3,601,513**	**9,435,175**
Total assets		**5,543,773**	**162,027,656**
Liabilities			
Current liabilities			
Trade and other payables	19	1,865,314	2,759,853
Borrowings	20	6,264,680	10,773,039
Convertible loan notes	21	55,323,125	53,977
Total current liabilities		**63,453,119**	**13,586,869**
Non-current liabilities			
Borrowings	20	49,448,370	66,871,112
Convertible loan notes	21	4,136,398	49,544,162
Embedded derivative	22	2,135,371	320,833
Deferred tax liability	9(b)	-	22,852,285
Total non-current liabilities		**55,720,139**	**139,588,392**
Total liabilities		**119,173,258**	**153,175,261**
Net (liabilities)/assets		**(113,629,485)**	**8,852,395**
Equity			
Share capital	23	2,014,717	1,910,717
Share premium account	23	69,881,711	64,785,711
Share-based payment reserve	24	750,123	1,531,859
Available-for-sale reserve	25	-	-
Warrant reserve	26	3,538,684	1,366,876
Translation reserve		6,336,997	(1,073,588)
Accumulated losses	27	(196,017,734)	(59,535,197)
Total equity		**(113,495,502)**	**8,986,378**
Non-controlling interest		**(133,983)**	**(133,983)**
Equity attributable to equity holders of the parent		**(113,629,485)**	**8,852,395**

The financial statements were approved by the board of directors and authorised for issue on 28 October 2016. They were signed on its behalf by:

H. D. Kanabar
Director
Company registration number: 05143779

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Share capital	Share premium	Share based payment reserve	Available- for-sale reserve	Warrant reserve	Translation reserve	Accumulated losses	Equity attributable to owners	Non-controlling interest	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
At 30 June 2013	1,575,154	18,537,201	30,416	539,451	208,819	(173,515)	(14,558,344)	6,159,182	-	6,159,182
Total loss for the year	-	-	-	-	-	-	(43,376,485)	(43,376,485)	-	(43,376,485)
Other comprehensive income	-	-	-	-	-	(900,073)	-	(900,073)	-	(900,073)
Transfer to accumulated losses on disposal	-	-	-	(539,451)	-	-	-	(539,451)	-	(539,451)
Share-based payment (Note 24)	-	-	1,501,443	-	-	-	-	1,501,443	-	1,501,443
Conversion of convertible loan notes (Note 21(ii))	149,409	21,993,005	-	-	-	-	(1,600,368)	20,542,046	-	20,542,046
Other issue of shares (Note 23)	186,154	25,313,249	-	-	-	-	-	25,499,403	-	25,499,403
Cost of issuing shares (Note 23)	-	(1,057,744)	-	-	-	-	-	(1,057,744)	-	(1,057,744)
Issue of warrants (Note 26)	-	-	-	-	1,158,057	-	-	1,158,057	-	1,158,057
Acquisition of Afferro	-	-	-	-	-	-	-	-	(133,983)	(133,983)
At 30 June 2014	1,910,717	64,785,711	1,531,859	-	1,366,876	(1,073,588)	(59,535,197)	8,986,378	(133,983)	8,852,395
Total loss for the year	-	-	-	-	-	-	(138,976,262)	(138,976,262)	-	(138,976,262)
Other comprehensive income	-	-	-	-	-	7,410,585	-	7,410,585	-	7,410,585
Extinguishment of the short term loan with shares and warrants (Note 20(v)/26)	60,000	2,940,000	-	-	2,380,627	-	1,503,170	6,883,797	-	6,883,797
Other issue of shares (Note 23)	44,000	2,156,000	-	-	-	-	-	2,200,000	-	2,200,000
Expired shares options (Note 24)	-	-	(781,736)	-	-	-	781,736	-	-	-
Expired warrants (Note 26)	-	-	-	-	(208,819)	-	208,819	-	-	-
At 30 June 2015	2,014,717	69,881,711	750,123	-	3,538,684	6,336,997	(196,017,734)	(113,495,502)	(133,983)	(113,629,485)

INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 US$	30 June 2014 US$
Loss for the year	(161,828,547)	(43,376,485)
Depreciation	685,911	493,481
Shares issued under anti-dilution agreement	200,000	4,513,458
Gain on disposal of investment in Afferro	-	(2,807,597)
Share-based payment	-	1,501,443
Finance income	(1,139)	(3,968,708)
Finance cost	24,738,242	19,838,594
Impairment and change in fair value of investments	168,104	(541,521)
Foreign exchange gain/(loss)	4,731,460	(5,052,516)
Change in fair value of embedded derivative	(1,343,125)	(3,559,344)
Impairment of goodwill	22,852,285	-
Impairment of exploration and valuation asset	131,404,475	-
Bond restructure	(28,128,634)	-
Provision for loans and receivables	1,614,911	20,507,996
Cash flow from operating activities before changes in working capital	**(4,906,057)**	**(12,451,199)**
(Increase)/decrease in receivables	5,802	4,963,868
Decrease)/(increase) in payables	(894,539)	(8,814,183)
(Increase)/decrease in inventory	(1,957,503)	-
Restricted cash	290,387	-
Net cash outflow from operating activities	**(7,461,910)**	**(16,301,514)**
Investing activities		
Interest received	1,139	47,033
Loan advances to AIOG	(1,614,911)	(1,884,948)
Purchase of property, plant and equipment	(23,982)	(209,306)
Exploration expenditure	(4,754,536)	(8,860,127)
Investment in Afferro	-	(2,240,804)
Cash acquired through acquisition of subsidiary	-	69,952,333
Acquisition of Afferro	-	(115,986,301)
Net cash used in investing activities	**(6,392,290)**	**(59,182,120)**
Financing activities		
Proceeds from issue of share capital	2,000,000	20,953,342
Share issue costs	-	(1,057,744)
Proceeds from issue of bond, warrants and loans	10,800,000	100,000,000
Bond commission costs	(917,828)	(5,624,210)
Draw down of loan	-	-
Repayment of loans	-	(71,568,700)
Interest paid	(4,329,413)	(8,934,801)
Net cash from financing activities	**7,552,759**	**33,767,887**
(Decrease)/Increase in cash and cash equivalents	**(6,301,441)**	**(41,715,747)**
Reconciliation to net funds		
Cash and cash equivalents at the beginning of the year	8,528,348	45,642,920
Foreign exchange movement	(1,608,921)	4,601,175
Cash and cash equivalents at the end of the year	**617,986**	**8,528,348**

1. Basis of preparation

The financial statements of International Mining & Infrastructure Corporation plc (the "Company" or "IMIC") and its subsidiaries (together the "Group") for the year ended 30 June 2015 were authorised for issue by the board of directors on 27 October 2016 and the statement of financial position was signed on the board's behalf by H.D. Kanabar.

International Mining & Infrastructure Corporation plc is a public limited Company incorporated and domiciled in England and Wales. Its registered office is 40 New Bond Street, London, W1S 2RX. The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The functional currency of the Company is pounds sterling and the functional currency of most of its subsidiaries is US dollars. The Directors consider US dollars to most faithfully represent the economic effects of events, conditions, future direction and investment opportunities of the Group and have therefore used US dollars as its presentation currency.

The financial statements have been prepared under the historical cost convention or fair value where appropriate. The principal accounting policies adopted by the Group are set out in Note 2.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
The consolidated financial statements set out the Group's financial position, performance and cash flows as at 30 June 2015 and 2014 and for the years then ended, respectively.

Subsidiaries are those entities controlled by the Group regardless of the amount of shares owned by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests' rights to safeguard their interest are fully considered in assessing whether the Group controls a subsidiary. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A list of subsidiaries is provided in note 2 of the "Notes to the Company Financial Statements."

2. Significant accounting policies (continued)

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction, affecting retained earnings. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying amount of any non-controlling interest ('NCI'); (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any investment retained; (vi) recognises any surplus or deficit in profit or loss; and (vii) reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NCI represent the equity in a subsidiary not attributable, directly and indirectly, to the parent Company and is presented separately within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent.

Losses within a subsidiary are attributable to the NCI even if that results in a deficit balance.

Going concern

The financial statements have been prepared on a going concern basis. The audited results for the year reflect the current nature of the Group's activities being mineral exploration and project development. The current nature of the Group's activities does not provide it with production or trading revenues, and its funding is therefore reliant on the support of existing investors, and the major bondholder in particular.

Subsequent to year end, the Group secured additional bond funding through two issues raising gross proceeds of US$22 million in November 2015 and US$27 million in October 2016. The US$22 million funds have been used to enable the Group to complete the Ntem and Nkout pre-feasibility studies. Following the utilisation of these funds a further bond raising was made on 21 October 2016. Of the gross US$27 million proceeds raised, and as a condition of the bond, US$17 million has been on-lent to Metal Holdings Limited (MHL) on terms that match those of the bond for the purposes of pursuing its Canadian iron ore related strategy. The funds will be used by MHL for the implementation of their Canadian iron ore related strategy which entails development of a pellet plant and acquisition of the iron ore output from the Ntem mine

The credit risk for the $17m on-lent lies with the bond holder, further details of the terms and conditions of this loan arrangement are disclosed in note 31 of the financial statements. The remaining US$10 million raised will be used to fund the Group's working capital requirements for the next twelve months, including servicing its debt obligations.

However, following the latest bond issue and based on latest forecast cash flows, the Group only has sufficient cash resources to fund its activities through to November 2017, at which point it will require additional sources of external funding to enable it to continue to meet its liabilities as and when they fall due.

During December 2015 the Group's Convertible Loan notes were amended by agreement with the note holders and ratified by IMIC shareholders. Under the amended terms the maturity date of the loan notes was extended by 5 years to 21 December 2020. This resolution was passed on 14 December 2015 and was then subsequently passed by the shareholders on 15 December 2015. One of the conditions inclusive in the Convertible Loan notes is the requirement that the Group is required to maintain a listing on a registered exchange. At the signing date of the financial statements IMIC had not yet relisted and therefore is in breach of the loan note covenants.

Under the terms of the loan notes the holders have the right to convert their CLNs into IMIC Shares at prevailing market prices in two twice yearly windows in June and December. If IMIC are not listed during a conversion window then this will be deemed to be a listing failure. In the event that a listing failure occurs for a second time in a subsequent period IMIC can in relation to that second conversion request be required to redeem the Loan notes for cash at the second conversion date. The Directors plan to list the Group on ICAP Securities & Derivatives Exchange (ISDX) by the end of the 2016 calendar year.

The Group's objective is ultimately to re-list its shares on a registered market, raise additional equity and debt funding that would strengthen the balance sheet to continue operations, complete defined feasibility studies and meet debt and interest obligations. Further funds would then be required to develop its Cameroon mine assets, with one option being to provide feed for the Pointe-Noire pellet plant in Quebec as part of MHL's proposed implementation of its Canadian iron ore related strategy.

2. Significant accounting policies (continued)

The directors believe the bondholders will continue to support IMIC until iron ore markets improve and further funding is obtained. Nevertheless they acknowledge that there is significant uncertainty over the Group's ability to raise this additional medium term funding and funding to develop the resources should the market improve. Furthermore, such funding would depend on the Government of Cameroon continuing to renew the licences for the Group's main exploration assets, Nkout and Ntem. Nkout's licence renewal application was submitted in April 2015, and Ntem's licence runs to 5 February 2017. The Group believes these permits are in good standing, and has a history of successful renewal every two years.

On the basis of the recently raised bond funds and the continued support from the existing investors, and the major bondholder in particular, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, while the Directors believe that the Group will obtain additional equity or debt funding sufficient to enable it to continue in operational existence for the foreseeable future, they have concluded that the lack of sufficient committed funds beyond the next twelve months along with the uncertainty of a future listing represents material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Business combinations
The acquisition of subsidiaries is accounted for under the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have been previously recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

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

For the purpose of presenting the consolidated financial statements, all separate financial statements of the parent Company and any subsidiary entities, originally presented in a currency different from the Group's presentation currency, have been converted into US dollars. Assets and liabilities have been translated into US dollars at the closing rate at the statement of financial position date. Income and expenses, and the related reserves within equity, have been translated at the average rates over the reporting period. Any differences arising from this procedure have been charged/credited to "Translation reserve" in equity. Share capital and share premium accounts are translated at the exchange rate prevailing on the date of the transaction.

Exploration and evaluation assets
Exploration and evaluation assets relate to capitalised costs of acquiring, exploring and evaluating mineral properties. It includes maintaining the rights to explore, investigate, examine and evaluate an area for mineralisation. These include conducting geological and environmental studies, exploratory drilling and sampling, metallurgical testing, engineering consulting and other costs incurred in evaluating the technical feasibility and commercial viability of extracting a mineral resource. Pre-licence costs are expensed in the period in which they are incurred.

Exploration and evaluation assets are capitalised until such time that the activities have reached a stage which permits a reasonable assessment of the existence of commercially exploitable reserves and a decision is made to proceed with the development of the mine at which time, the exploration and evaluation assets are transferred to property, plant and equipment.

2. Significant accounting policies (continued)

Exploration and evaluation assets are not amortised but are reviewed for impairment at each statement of financial position date or when events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill

Goodwill arising from business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but it is reviewed for impairment at least annually. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit ("CGU") (or group of CGUs) to which the goodwill relates and any of the related deferred tax liabilities recognised on acquisition that remain at balance date are treated as part of the relevant CGU or group of CGUs. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged to profit or loss so as to write off the costs of assets on a reducing balance basis at 30% per annum.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of assets is the greater of their value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. The assessment requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Changes in these assumptions will affect the recoverable amount of the property, plant and equipment.

If the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount, a provision is recorded to reflect the asset at the lower amount. Impairment losses of continuing operations are recognised in the statement of comprehensive income.

Provisions

Provisions are recognised when the Group has an obligation as a result of a past event and it is probable that the Group will be required to settle the obligation and that a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Present obligations arising under onerous contracts are recognised and measured as provisions.

2. Significant accounting policies (continued)

Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available for sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designed and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on change to re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs for loans and in other operating expenses for receivables.

Impairment of financial assets
The Group assesses at each reporting date whether there is objective evidence that assets, financial assets or a group of financial assets are impaired. Assets are considered impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that the loss event has an impact on the estimated future cash flows of the asset that can be reliably measured.

Available for sale financial assets
For available for sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.
Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income

Financial liabilities
Classification
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

2. Significant accounting policies (continued)

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Derivative financial instruments
The Group entered into convertible loan notes where the conversion terms of the loan into equity are variable depending on the share price of the shares at the date of conversion. Further details of derivative financial instruments are disclosed in Note 21.

Derivatives are initially recognised at fair value at the grant date and are subsequently measured to their fair value at each statement of financial position date. The resulting gain or loss is recognised in profit or loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Interest bearing loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

De-recognition of financial liabilities
A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Fair values
The fair value of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 29.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Borrowings costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Significant accounting policies (continued)

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Even though exploration and evaluation assets can be qualifying assets, they generally do not meet the ‘probable economic benefits’ test and also are rarely debt funded. Any related borrowing costs incurred during this phase are therefore generally recognised in the statement of profit or loss and other comprehensive income in the period they are incurred.

Equity instruments
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 recorded at the proceeds received, net of direct issue costs.

Share-based payments
The Group issues equity-settled share-based payments to certain employees as part of funding activities. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Warrants
The Group issues warrants to institutional investors as part of funding activities. When warrants do not qualify as equity instruments under IAS39 due to the variable number of shares that would be issued in each case they are accounted for as financial liabilities. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive income. The warrants granted related to the issuance of shares are recorded as a reduction of share capital.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Group considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Finance income
Finance income relates to interest income, which is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation
The tax expense represents the sum of the current tax payable and deferred tax.

Current tax is based on the taxable profits for the year. 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 of income or expense that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted by the reporting date

2. Significant accounting policies (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability settled.

Exceptional items
The Group presents as exceptional items on the face of the statement of comprehensive income, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the element of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Operating leases
Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

New and amended accounting standards and interpretations
The Group has adopted the following relevant new and amended IFRS interpretations as of 1 January 2014**:**

IAS 27	Separate financial statements
IAS 32	Financial Instruments
IAS 36	Impairment of assets
IFRS 10	Consolidated financial statements

These new and amended standards have not materially affected the amounts reported or disclosed in the Group's financial statements for the year ended 30 June 2014.

Standards and interpretations issued but not yet effective
The following standards, amendments and interpretations to existing standards relevant to the Group are not yet effective and have not been early adopted by the Group. The Group expects to adopt these standards in accordance with the effective dates.

		Effective date (periods beginning on or after)
IFRS 2	Share based payments – Amendments resulting from the annual improvements cycle 2010-2012 (definition of "vesting conditions")	1 February 2015
IFRS 2	Share based payments – Amendments to clarify the classification and measurement of share-based payment transactions	1 January 2018
IFRS 5	Non-current assets held for sale and discontinued operations - Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 7	Financial instruments disclosure - Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 8	Operating segments - Amendments resulting from the annual improvements cycle 2010-2012 (aggregation of segments, reconciliation of segment assets)	1 February 2015
IFRS 9	Financial instruments – incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition.	1 January 2018
IFRS 10	Consolidated financial statements – Amendments regarding the sale or contribution of assets between investor and its associate or joint venture and the application of consolidation exception.	1 January 2016
IFRS 12	Disclosure of interests in other entities- amendments regarding the application of the consolidation exception	1 January 2016
IFRS 15	Revenue contracts with customers. Originally effective for accounting periods ending on or after 1 January 2017 and then deferred to accounting period ending on or after 1 January 2018	1 January 2018
IFRS 15	Revenue contracts with customers – clarification of IFRS 15	1 January 2018

2. Significant accounting policies (continued)

IFRS 16	Leases	1 January 2019
IAS 1	Presentation of financial Statements – Amendments resulting from the disclosure initiative	1 January 2016
IAS 12	Income taxes – amendments regarding the recognition of deferred tax assets for unrealised losses	1 January 2017
IAS 16	Property, plant and equipment – clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	1 January 2016
IAS 19	Employee benefits- amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IAS 24	Related party disclosures –Amendments resulting from annual improvements 2010-2012 cycle (management entities)	1 February 2015
IAS 27	Separate financial statements – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	1 January 2016

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates include:

Business combinations
When the group acquires a business, it assesses the fair value of the assets acquired and liabilities assumed by reference to the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. The fair value assessment of the consideration transferred, the assets acquired and the liabilities assumed on the Afferro acquisition is difficult due its complexity and the inherently uncertain nature of the mining sector, in particular, in valuing exploration and evaluation assets.

Other assets and liabilities are valued by reference to market-based observations or independent valuations where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Details of the acquisition and key judgements are contained in Note 4.

Exploration and evaluation expenditure
The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploration, development or asset sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Management is also required to assess impairment in respect of exploration and evaluation assets. The exploration and evaluation assets note discloses the carrying value of such assets. The triggering events for impairment are defined in IFRS 6. In making the assessment, management is required to make judgements on the status of each project and assumptions about future events and circumstances, in particular whether exploration permits are likely to be renewed and whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. Refer to Note 11.

The exploration permits for each of the Group's exploration assets in Cameroon are required to be renewed every two years. In particular, the Nkout permit was renewed from July 2013 to July 2015, a renewal application was submitted in April 2015. The Group believes, based on historic experience and the strength of its relationship with the Cameroonian government that providing funding is available and IMIC continues to apply its efforts with the vigour expended since the acquisition of Afferro, and previously by Afferro, this licence will be renewed. The Ntem permit runs to 5 February 2017.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

The group has two other permits, the Akonolinga permit which expired in November 2015 and the Ngoa permit. Renewal applications have been submitted to the Minsitry of Mines for both permits.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The assessment is based on operational forecasts for advanced stage projects and requires the use of estimates and assumptions such as the volume and quality of mineral resources, long term iron ore prices, production levels including grade and tonnes processed, production costs and capital expenditure.

These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Furthermore, as set out in the "going concern" section of note 2, the Directors' determination that it remains appropriate to prepare the financial statements on a going concern basis is based on the availability of an undrawn debt facility with Banque Atlantique Cameroon. This facility is subject to providing security against the Nkout asset and is therefore similarly reliant on the Nkout licence being renewed.

If, after expenditure is capitalised, information becomes available suggesting that recovery of the expenditure is unlikely, the relevant capitalised amount is written off in the Statement of Comprehensive Income in the period when the new information becomes available.

At 30 June 2015 management has determined that there are indicators that the carrying value of the Group's exploration and evaluation assets should be impaired and this has been reflected in the financial statements.

Carrying value of investments and loans

Determining whether investments are impaired requires an estimation of the fair value of the asset at balance date. In the case of equity investments classified as available for sale, objective evidence of impairment would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements, political and economic factors that might impact the development of projects and the duration or extent to which the fair value of an investment is less than its cost.

Details of the carrying amount of investments – fair value through profit and loss and investments – available for sale are disclosed in Note 14.

Valuation of embedded derivatives

The US$25 million convertible loan issued in June 2013 note has two components, being the debt portion of the instrument and the option to convert the debt into shares in the Company. IAS 32 requires that, as the number of shares to be converted is not fixed, these be valued separately. IAS 39 requires the calculation of the fair value of the option to be performed at each reporting period. The embedded derivative (option to convert the loan note into shares in the Company) has been fair valued using the Black Scholes model which requires critical judgements in order to ascertain the Group share price variability. As at 30 June 2015 the fair value of the embedded derivatives was US$2,135,371 (2014: US$320,833). Further details can be found in Note 22.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

Valuation of share-based payments

Management is required to make assumptions and use their judgement when determining the inputs used to value share-based payment arrangements made during the year. Details of the inputs adopted when valuing share-based payment arrangements can be found in Note 24. Management bases these assumptions on observable market data such as the Group's share price history and risk free interest rates offered on Government bonds.

Recoverability of deferred tax assets

Judgement is required to determine whether deferred tax assets are recognised in the Statement of Financial Position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable profits in future periods, in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates are based on forecast cash flows from operations and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise deferred tax assets could be impacted.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

The Group establishes tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Recoverability of loans to African Iron Ore Group Limited and interest revenue recognition

On 4 May 2012 the Group entered into an exclusive agreement ("the agreement") with African Iron Ore Group Limited ("AIOG") to finance and develop iron ore mining related infrastructure solutions in Africa. As part of this agreement the Group has extended loans to AIOG in respect of expenses relating to the Simandou South infrastructure project and other development projects. The loan has cost recovery on the money lent at the rate of 25% per annum interest. Additionally, interest revenue arising from the loans advanced to AIOG has been recognised per IAS 18 during 2014 as it is believed it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of the revenue can be measured reliably. At the end of 2014 the loan with AIOG was subsequently impaired and so the interest re did not meet the IAS 18 definition and so has not been recognised. The loan, including accrued interest, is repayable at project vehicle Financial Close. Refer to Note 15 for further information as to the carrying value of the loans and accrued interest at 30 June 2015.

Judgement is required to assess whether the loans extended to AIOG, and the associated interest receivable, is recoverable at period end. To determine the recoverability of the loans and accrued interest management assess the progress that AIOG has made in developing the Simandou South infrastructure project, including, but not limited to, the signing of agreements with partners in the Simandou South project and the Government of Guinea. Management also reviews the expected timing of the recovery of the loans however the exact date is uncertain as it is dependent on securing financing for the entire project for infrastructure and the iron ore mine. As a result of management's impairment review at 30 June 2015 the Group has provided in full for the loans outstanding from AIOG. Refer to Note 15 for additional detail.

4. Acquisition of Afferro Mining Inc.

On 19 December 2013, the Company, through its wholly owned subsidiary, Afferro Holdings Limited, completed its acquisition of 80.03% equity interest in Afferro Mining Inc ("Afferro") shares which it did not already own by way of a court-approved plan of arrangement under the British Columbia Business Corporations Act (the "Arrangement").

Under the Arrangement, holders of Afferro shares received a consideration satisfied by £0.80 (US$1.31) per share in cash plus a 2-year unsecured convertible loan note issued by the Company with a principal amount of £0.40 (US$0.65), carrying simple annual interest of 8%. The Company also agreed to purchase all of Afferro's issued and outstanding stock options ("Afferro Options") for US$6,060,003, an amount equal to the difference between £1.20 (US$1.96) and the exercise price of each Afferro Option.

The Company's previously held 19.87% interests in Afferro held as available for sale (see Note 14(a)) and at fair value through profit and loss (see Note 14(b)) were treated as if it were disposed of and reacquired at fair value on the acquisition date of US$28,391,416. The fair value was determined to be £0.8875 (US$1.45) being the last available trading price of Afferro shares.

Acquisition-related costs recognised in the consolidated statement of comprehensive income amounted to US$8,320,397. The number of share options granted to certain directors, employees and one of the Company's strategic advisors is detailed in Note 24.

4. Acquisition of Afferro Mining Inc. (continued)

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the following table.

	US$
Total assets acquired	191,334,870
Total liabilities assumed	(27,636,402)
Total identifiable net assets at fair value	176,756,917
Non-controlling interest at fair value	133,983
Goodwill arising on acquisition	22,852,285
Purchase consideration transferred	186,684,736
Satisfied by:	
Cash consideration for Afferro shareholders	109,926,298
Convertible loan notes (Note 21)	40,270,977
Cash consideration for Afferro option holders	6,060,003
Fair value of investment in Afferro	30,427,458
	186,684,736

The goodwill balance is the result of recognising a deferred tax liability on the fair value uplift of exploration and evaluation assets acquired from Afferro. The deferred tax liability was calculated as the difference between the tax effect of the fair value of the exploration and evaluation assets acquired from Afferro and their tax base.

The Group performs goodwill impairment testing on an annual basis at reporting date. The most recent test was carried out at 30 June 2015 (refer to Note 11). Following an impairment review, goodwill has been impaired in full as at 30 June 2015.

	Goodwill US$
Cost:	
At 30 June 2014	22,852,285
Impairment	(22,852,285)
At 30 June 2015	-

5. Segmental information

The Company's business segments are the exploration and development of iron ore properties in Cameroon and corporate and other activities including its investment in African Iron Ore Group Limited ("AIOG").

The Company is engaged in the acquisition, exploration and development of iron ore properties in Cameroon. For management purposes, the Group is organised into business units based on the main types of activities and has two reportable operating segments, as follows:

- Cameroon iron ore exploration
- Corporate and other activities

Other than the exploration area segment, no operating segments have been aggregated to form the above reportable operating segments. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 of the financial statements.

	Exploration and development	Corporate and other activities	Total
	US$	US$	US$
As at 30 June 2015			
Segment assets	4,160,913	1,382,861	5,543,773
Segment liabilities	(581,256)	(118,592,002)	(119,173,258)
For the year ended 30 June 2015			
Loss for the year	(63,753,238)	(75,233,025)	(138,976,262)
Depreciation of property, plant and equipment	(638,578)	(47,333)	(685,911)
Exploration and evaluation assets impairment (Note 11)	(131,404,475)	-	(131,404,475)
Impairment of AIOG investment	-	(168,104)	(168,104)
Exploration and evaluation assets additions (Note 11)	4,754,436	-	4,754,436
As at 30 June 2014			
Segment assets	130,570,591	31,457,065	162,027,656
Segment liabilities	(1,585,343)	(151,589,918)	(153,175,261)

5. Segmental information (continued)

	Exploration and development US$	Corporate and other activities US$	Total US$
For the year ended 30 June 2014			
Loss for the year	(456,869)	(42,919,616)	(43,376,485)
Depreciation of property, plant and equipment (Note 11)	(437,604)	(55,877)	(493,481)
Exploration and evaluation assets additions (Note 11)	9,340,844	-	9,340,844

Segmental information by location:

	West & Central Africa US$	Canada US$	United Kingdom US$	Total US$
As at 30 June 2015				
Segment assets	4,160,913	(6,722)	1,389,585	5,543,774
Segment liabilities	(581,256)	(35,395,589)	(83,196,415)	(119,173,260)
For the year ended 30 June 2015				
Loss for the year	(132,695,556)	3,943,394	(10,224,100)	(138,976,262)
Depreciation of property, plant and equipment	(638,578)	(14,122)	(33,211)	(685,911)
Exploration and evaluation assets impairment	(131,404,476)	-	-	(131,404,476)
Exploration and evaluation assets additions	4,754,476	-	-	4,754,476
As at 30 June 2014				
Segment assets	130,570,591	1,230,069	30,226,996	162,027,656
Segment liabilities	(1,585,343)	(41,667,340)	(109,922,578)	(153,175,261)
For the year ended 30 June 2014				
Loss for the year	(456,869)	(14,779,571)	(28,140,045)	(43,376,485)
Depreciation of property, plant and equipment	(437,604)	(13,564)	(42,313)	(493,481)
Exploration and evaluation assets additions	9,340,844	-	-	9,340,844

6. Administration expenses by nature and auditor's remuneration

	2015 US$	2014 US$
Staff costs (Note 8)	1,950,285	1,988,077
Travel	312,321	970,880
Rent expense – operating lease commitments	127,312	477,266
Depreciation of property, plant and equipment	685,911	493,481
Auditors remuneration (see below)	164,143	213,199
Other professional fees	2,974,388	1,380,866
Loss on disposal	-	67,195
Others	753,382	534,762
Total expenses	**6,967,742**	**6,125,726**

Audit fees payable to the auditors of the Group's financial statements	169,298	184,259
Audit fees payable to the auditors of the subsidiaries financial statements	(5,155)	28,940
Total audit fees	**164,143**	**213,199**
Fees payable to the auditors for other services		
- Corporate finance services	-	321,004
- Tax advisory services	22,345	-
Total non-audit fees	22,345-	321,004
Audit fees payable to previous auditors of the subsidiaries financial statements	-	32,051
	-	32,051

The Corporate finance services in non-audit fees are disclosed as an exceptional item.

Exceptional items

	2015 US$	2014 US$
Operating items:		
Loss on conversion of short term loan	(3,889,967)	-
Other items:		
Gain/(loss) on restricting of bond liabilities (note 20)	33,394,375	-
Transaction costs re acquisition of Afferro (see below)	-	(8,320,397)
	33,394,375	**(8,320,397)**

During the year ended 30 June 2014 the Group incurred US$8,320,397 transaction costs which relate to the acquisition of Afferro. These costs were not expected to be incurred on an ongoing basis and were therefore classified as exceptional items. These costs include a share based payment charge of US$1,501,443 and certain director bonuses for the successful completion of the Afferro acquisition. Refer to note 8 for addition detail.

7. Finance income and costs

	2015 US$	2014 US$
Finance income		
- Interest income on long-term loans (Note 15)	-	3,921,675
- Interest income on short-term bank deposits	1,139	47,033
	1,139	3,968,708
Finance cost		
- Effective interest on bond instruments (Note 20)	(12,309,591)	(10,201,830)
- Effective interest on convertible loan notes (Note 21)	(12,013,065)	(9,637,124)
- Bond commissioning costs	(415,586)	-
	24,738,242	(19,838,594)
Foreign exchange		
- Foreign exchange (loss)/gains	4,731,460	5,052,516

Commission costs incurred on the restructuring of the issued bonds have been either recognised as part of the gain or loss on restructuring (US$375,0000) or capitalised as part of the bond (US$400,000), on the basis described in Note 20 .

The foreign exchange gain relates mainly to the retranslation gains on the US dollar denominated borrowings held by the Company and realised gain on sterling deposits previously held by Afferro Holdings Limited off-set by retranslation losses on the Company's US dollar denominated loans to AIOG.

8. Staff costs and Directors' remuneration

	2015 US$	2014 US$
Directors' salaries (see below)	1,206,341	1,038,107
Compensation for loss of office	914,487	-
Wages and salaries	2,286,074	746,251
Social security costs	266,923	203,719
	4,673,825	1,988,077

In addition to the above as at 30 June 2015, the Directors owned 1,600,000 (2014: 4,776,000) share options to Directors. The fair value of these options was calculated using the Black-Scholes model as disclosed in Note 24.

	Salary	Pension	Fair value of options	Bonus	Termination payment	Total remuneration 2015 US$	Total remuneration 2014 US$
E.J.L Cooper*	243,775	-	-	150,000	-	393,775	-
H. D. Kanabar	337,858	16,892	-	236,325	-	591,015	994,587
O. Kane**	68,254	-	-	-	850,553	918,807	1,081,692
J. Ward**	27,289	-	-	-	-	27,289	598,596
L. Guoping	63,004	-	-	-	-	63,004	75,607
B. Ndiaye**	63,004	-	-	-	-	63,004	80,888
R. Lukman**	-	-	-	-	63,934	63,934	80,888
	803,184	16,892	-	386,265	914,487	2,120,828	2,912,258

* Ethelbert J.L. Cooper was appointed as a Director during the year.

** Ousmane Kane, James Ward, Babacar Ndiaye and Rilwanu Lukman ceased to serve as Company's Directors during the year.

The average number of employees (including executive directors) employed by the Group during the year was:

	2015 No.	2014 No.
UK Staff:		
Administrative and support	5	7
Cameroon:		
Permanent employees	56	59
Contract employees	55	112
	116	178

9. Taxation

(a) Reconciliation of the total tax credit

The charge for the year can be reconciled to the loss for the year as follows:

	2015 US$	2014 US$
Current tax:		
Current tax on loss for the year	-	-
Total current tax	-	-
Deferred tax		
Reversal of temporary difference	(22,852,285)	-
Total tax credit for the year	(22,852,285)	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(161,828,547)	(43,376,485)
Loss on ordinary activities before taxation multiplied by the standard rate of UK Corporation tax of 20% (2014: 22.5%).	(32,365,709)	(9,759,709)
Effects of:		
Non-deductible expenses	10,979,338	(535,547)
Tax losses not recognised	21,386,371	10,295,256
Reversal of temporary difference	(22,852,285)	
Total tax credit	22,852,285	-

(b) Deferred income tax

Deferred income tax balances at 30 June relate to the following:

	2015 US$	2014 US$
Fair value adjustment in respect of exploration assets	-	22,852,285

Deferred tax assets of £22,852,285 related to a fair value adjustment on the acquisition of exploration and evaluation assets when the group acquired Afferro in the year ended 30 June 2014. Following an impairment review carried out by the directors the fair value of the exploration and evaluation assets have been fully impaired. Consequently, the associated deferred tax has been reversed. Not deferred tax assets have been recognised on the potential loss on exploration and evaluation assets now being valued at less than cost.

(c) Unrecognised tax losses

The Group has gross tax losses arising in the UK and Canada of US$61,120,034(2014: US$45,271,279) that are available to carry forward indefinitely to offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as there is not sufficient certainty that taxable income will be realised in the future.

(d) Change in corporation tax rate

Deferred tax has been calculated at the rates substantively enacted at the statement of financial position date. The standard rate of UK corporation tax in the year changed from 23% to 21% with effect from 1 April 2014 and further rate changes to 20% from 1 April 2015 were substantively enacted as part of the Finance Bill 2014 on 2 July 2014.

9. Taxation (continued)

Any UK deferred tax that is recognised is therefore recognised at the reduced rate of 20%. Deferred tax in Cameroon is provided for at the statutory rates of 38.5%. The standard rate of taxation in Cameroon has changed with effect from 1 January 2015 to 33.5%. Any Cameroon tax from this point on will be recognised at 33.5%.

10. Basic and diluted loss per ordinary share

The calculation of the basic and diluted loss per share of US$0.78 (2014: US$0.40) is based on the loss for the year attributable to equity holders of the Group of US$138,976,262 (2014: US$43,376,485) and on the weighted average number of shares in issue during the year of 178,922,970 (2014: 108,045,858).

11. Exploration and evaluation assets

	US$
At 1 July 2013	-
Acquisition of Afferro (note 4)	117,309,095
Additions since Afferro acquisition	9,340,844
At 1 July 2014	126,649,939
Additions in the year	4,754,436
Impairment	(131,404,475)
At 30 June 2015	-

On 6 November 2015, the Company successfully raised US$22m via a bond instrument (the "US$22m Bond") (see Note 31). One of the terms of the US$22m Bond was that the Company's subsidiary Caminex S.A. ("Caminex") would grant the US$22m Bondholders the option to acquire a 49.5% stake in Caminex subject to IMIC shareholder approval. This approval was granted on 15 December 2015 in general meeting. The security is to be held through a security trustee`.

IMIC also agreed to grant the US$22m Bondholders and its existing Bondholders security over all the Company's shares in Caminex.

Exploration and evaluation assets relate to iron ore mining assets held by the Group's Cameroonian subsidiary, Caminex. During the year the board carried out an impairment review of these assets and concluded that the assets and its associated goodwill (Note 4) should be fully impaired given the continued decline of iron ore prices, which at June 2015 was US$ 62.29 dmt.

An impairment test involves determining the recoverable amount of the cash-generating units which corresponds to the fair value less costs of disposal or the value in use. The recoverable amount of US$ nil as at 30 June 2015 has been determined based on a fair value less cost of disposal (FVLCD) calculation. The FVLCD calculation uses a discounted cash flow model which is based on the implied enterprise value rates per ounce of resources which are then applied across the resources of each of the Group's asset to derive a recoverable amount.

12. Property, plant and equipment

	Office furniture and office equipment	Machinery and equipment	Vehicles	Total
	US$	US$	US$	US$
Cost				
At 1 July 2013	**175,727**	**-**	**-**	**175,727**
Acquisition of Afferro (Note 4)	300,992	1,143,279	1,069,696	2,513,967
Additions	169,344	5,509	34,453	209,306
Disposals	(103,756)	-	-	(103,756)
Foreign exchange	22,456	(17,936)	-	4,520
At 30 June 2014	**564,763**	**1,130,852**	**1,104,149**	**2,799,764**
Additions	6,064	17,919	-	23,983
Foreign exchange	(20,483)	-	-	(20,483)
At 30 June 2015	**550,344**	**1,148,771**	**1,104,149**	**2,803,264**
Depreciation				
At 1 July 2013	**37,101**	**-**	**-**	**37,101**
Charge for the year	131,432	175,001	187,048	493,481
Disposals	(36,561)	-	-	(36,561)
Foreign exchange	5,305	-	-	5,305
At 30 June 2014	**137,277**	**175,001**	**187,048**	**499,326**
Charge for the year	109,867	300,914	275,130	685,911
Foreign exchange	(6,529)	-	-	(6,529)
At 30 June 2015	**240,615**	**475,915**	**462,178**	**1,178,708**
Carrying value				
At 30 June 2013	138,626	-	-	138,626
At 30 June 2014	427,486	955,851	917,101	2,300,438
At 30 June 2015	**309,729**	**672,856**	**641,971**	**1,624,556**

No borrowing costs have been capitalised during the year ended 30 June 2015.

13. Investments – AIOG

	2015 US$	2014 US$
At 1 July	181,728	162,309
Foreign exchange (loss)/gain	(13,624)	19,419
Impairment	(168,104)	
At 30 June	-	181,728

On 4 May 2012 the Group entered into an exclusive agreement (“the agreement”) to finance and develop iron ore mining related infrastructure solutions in Africa with African Iron Ore Group Limited (“AIOG”), a Company controlled by Ethelbert Cooper. The companies agreed a 10% shareholding swap such that the parties will hold 10% of each other’s capital.

The agreement with AIOG gives IMIC the option to purchase a further shareholding in AIOG until 4 May 2017 ranging from 30% to 90% shareholding dependent on the number of infrastructure projects in place at that date. The option price is fair market value of AIOG to be determined when and if the option is exercised less a 10% discount.

The agreement also contains a mutual anti-dilution provision whereby in the event that either IMIC or AIOG issue share capital they are required to issue 10% of the share capital issued to the either party in order to maintain the Group’s mutual 10% holding in each other. During the year, the Company issued 9,554,140 (2014: 9,322,660) ordinary shares to AIOG as a result of the operation of the anti-dilution clause. The fair value of these shares amounted to US$200,000 (2014: US$4,513,458), which was recognised as an expense directly in the consolidated statement of comprehensive income. On 8 January 2015 the Group converted US$3,000,000 out of a US$5,800,000 short-term loan with AIOG into a total of 19,736,842 ordinary shares.

In the Directors’ opinion it is not possible to reliably measure the fair values of the investment option to acquire further shares in AIOG and the anti-dilution agreement. This is largely because the shares in AIOG are not traded but also because of the complexity of the option and anti-dilution agreement. These instruments have therefore been measured at their cost which, in the case of the option and anti-dilution agreement, is nil.

Impairment

Macroeconomic uncertainty has been putting downward pressure on commodity prices. Furthermore, the Group is concerned that AIOG will run out of funds by the end of the year and they will not be able to implement their strategy under their existing agreements and believes that under the present market conditions they may be unable to obtain funding. Therefore, a full impairment of the remaining cost of the investment has been recorded as at 30 June 2014. The impairment percentage was calculated based on available observable market data of similar peers.

14. Investments

Investments are normally classified as available for sale, however the Afferro shares purchased on 11 July 2012 were designated at fair value through profit or loss to reduce an accounting mismatch that arose from the obligation to pay contingent consideration for these shares, for further details see b) Investments – Fair value through profit and loss. Therefore, the investment in Afferro has been split into investments held for available for sale (Note 4(a)) and also fair value through profit and loss (Note 14(b)):

a) Investments – Available for sale

	Rainy Mountain Royalty Corporation US$	Afferro US$	Total US$
At 1 July 2013	19,998	18,281,135	18,301,133
Additions during the year	-	2,240,804	2,240,804
Change in fair value transferred to equity	(4,980)	2,273,126	2,268,146
Deemed disposals	(3,337)	(22,795,065)	(22,798,402)
Impairment	(11,681)	-	(11,681)
At 30 June 2014 and 2015	-	-	-

The Company's investment in Rainy Mountain Royalty Corporation was fully disposed of during the year to 30 June 2014.

As at 30 June 2014 the Group held 14,979,111 shares in Afferro representing 14.22% shareholding interest. In July 2013 the Group acquired further 1,886,000 representing 1.79% shareholding in Afferro for a total consideration of US$2,240,804. On 19 December 2013 the Group completed its acquisition of Afferro (see Note 4) and as of this date the Group's interest in Afferro was deemed to be disposed of.

b) Investments – Fair value through profit and loss

	US$
At 1 July 2013	5,043,149
Change in fair value	553,202
Deemed disposal of investment in Afferro (Note 4)	(5,596,351)
At 30 June 2014 and 2015	-

In July 2012 the Group acquired through an off market transaction a 3.9% shareholding in Afferro for a total consideration of US$3,041,600 representing 4,132,231 shares at 48.4p per share. As at 30 June 2013 the Group held 3.9% shareholding in Afferro representing 4,132,231 shares. These shares were purchased subject to additional consideration should certain conditions be triggered which were subsequently renegotiated and settled. On 19 December 2013 the Group completed its acquisition of Afferro (see Note 4) and as of this date the Group's interest in Afferro was deemed to be disposed of.

15. Other receivables and other financial assets

	2015 US$	**2014 US$**
Current		
Other receivables	355,893	222,859
Prepayments	450,518	464,384
	806,411	687,243

The carrying amount of the remaining other receivables approximates their fair value.

Non-current		
Loan and other receivables	14,800,421	14,276,841
Accrued interest receivable	5,754,841	6,231,155
Provision against AIOG loans and receivables		
	20,555,263	20,507,996

	2015 US$	**2014 US$**
Provision against AIOG loans and receivables		
At 1 July 2014	(20,507,996)	-
Additional provision provided during the year	(1,614,911)	20,507,996
Exchange movement	1,567,644	-
At 30 June 2015	(20,555,263)	(20,507,996)

The loan to African Iron Ore Group Limited ("AIOG") is in respect of expenses relating to the Simandou South infrastructure project and other development projects. The loan has cost recovery on the money lent at the rate of 25% per annum. The loan, including accrued interest, is repayable once funding has been secured for the project.

On Financial close of the project the outstanding loan balances may be repaid in cash or converted into project vehicle equity upon the agreement of both parties and at a price to be determined at the point of conversion.

Interest accrued on the loan is disclosed as a non-current asset as it is expected to be realised on Financial Close of the project in conjunction with the principal of the loan.

Following certain developments regarding the ownership of right's to the Simandou project the Director's consider that there exists additional uncertainty over the timing and nature of the path to development of the Simandou project and as such the Directors provided in full for the loans receivables from AIOG of US$20,555,263 (2014: US$20,507,996). The recoverability of the loan is subject to the performance of the Simandou project and not the performance of AIOG itself.

The Simandou project seemed to have stalled for the present and there has been no further development. There is no certainty in the final outcome.

16. Restricted cash

Restricted cash at 30 June 2015 of US$317,704 (2014: US$608,091) represents the minimum level of deposits required by the banks to be able to provide a similar amount of guarantee to Cameroon's Ministry of Finance for the exoneration from customs duties on certain vehicles and equipment imported by the Group.

17. Cash and cash equivalents

	2015 US$	2014 US$
Cash at bank and in hand	617,986	8,528,348

Cash and cash equivalents (which are presented as a single class of assets on the face of the consolidated statement of financial position) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less. Cash and cash equivalents are held as follows:

	2015 US$	2014 US$
Financial institution with Standards & Poors 'A' long-term rating	107,148	3,257,909
Financial institution with Standards & Poors 'A-' long-term rating	-	59,835
Unrated financial institutions and cash in hand	510,838	5,210,604
	617,986	8,528,348

18. Inventories

	2015 US$	2014 US$
Drill consumables and fuel	2,117,086	219,584

19. Trade and other payables

	2015 US$	2014 US$
Trade creditors and accruals	1,628,031	2,725,942
Social security and other taxes	237,283	33,911
	1,865,314	2,759,853

Trade creditors and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

The carrying amount of trade and other payables approximates their fair value.

20. Borrowings

	2015 US$	2014 US$
Current		
US$10 million IMIC October 8.125% bond (i)	-	9,697,206
Interest payable	3,441,666	1,075,833
Short-term loan (v)	2,823,014	-
	6,264,680	10,773,039
Non-current		
US$10 million IMIC October 8.125% bond (i)	4,352,803	-
US$15 million IMIC April 8.75% bond (ii)	11,791,647	12,884,063
US$15 million IMIC May 8.75% bond (ii)	-	12,853,009
US$20 million Afferro Holdings June 8.875% bond (iii)	7,902,823	17,188,814
US$30 million Afferro Holdings November 9% bond (iv)	25,401,097	23,945,226
	49,448,370	66,871,112

During the year the terms of a number of bonds were modified as detailed below:

- US$10 million IMIC October 8.125% bond (amended on 9 August 2014 and 16 April 2015)
- US$15 million IMIC April 8.75% bond (amended on 5 May 2015)
- US$15 million IMIC 8.75% bond (amended on 5 May 2015); and
- US$20 million Afferro Holdings June 8.875% bond (amended on 5 May 2015).

The modified terms were assessed to establish whether they represented minor or substantial changes. Where the modified terms were assessed to represent substantial changes the existing bond liability is derecognised and a new liability is recognised based on the revised cashflows. Except for the first amendment of the US$10 million IMIC October 8.125% bond, all the amendments were deemed to represent a substantial change to the contract terms and consequently have been accounted for as extinguishment of the related liabilities. The US$375,000 restructuring costs incurred with respect to those amendments have been recognised as part of the gain on the extinguishment. The resulting gain representing the difference between the new and extinguished liability is US$33,394,375 (see Note 6).

The US$400,000 bond restructuring costs incurred with respect to the first amendment of the US$10 million IMIC October 8.125% bond, has have been adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(i) On 18 October 2012 IMIC issued a multi-tranche, unsecured bond with a drawable value of US$50,000,000 of which US$10,000,000 was drawn down on 6 November 2012. The bond instrument carries semi-annual interest coupon payments and an interest rate of 8.125% per annum. On 9 August 2014, by way of a Supplemental Deed, the final redemption date for the Bond was amended from 18 October 2014 to 18 October 2015. On 16 April 2015, by way of a Supplemental Deed, the final redemption date for the Bond was amended from 18 October 2015 to 18 October 2020 and the interest coupon was reduced to 5% per annum, payable annually, with the remainder 3.125% being accrued and repaid at maturity. As part of this bond share warrants were issued. See Note 26 for more details.

(ii) On 16 April 2013 IMIC issued a multi-tranche, unsecured bond with a drawable value of US$40,000,000 of which the first tranche of US$15,000,000 was drawn down on 17 April 2013 and a second tranche of US$15,000,000 was drawn down on 8 May 2013. The bond instrument carries semi-annual interest coupon payments and an interest rate of 8.75% per annum. On 5 May 2015, by way of a Supplemental Deed, the final redemption date for the Bond was amended from 30 October 2016 to 30 October 2021 and the interest coupon was reduced to 5% per annum, payable annually, with the remainder 3.75% being accrued and repaid at maturity. Following the restructuring of the Bond, the two Tranches shall be treated as one Bond.

20. Borrowings (continued)

(iii) On 11 June 2013 Afferro Holdings Limited issued a multi-tranche, unsecured bond with a drawable value of US$60,000,000 of which US$20,000,000 was drawn down on 19 June 2013. The bond instrument carries semi-annual interest coupons and an interest rate of 8.875% per annum. On 5 May 2015, by way of a Supplemental Deed, the final redemption date for the Bond was amended from 30 October 2016 to 30 October 2021 and the interest coupon was reduced to 5% per annum, payable annually, with the remainder 3.875% being accrued and repaid at maturity.

(iv) On 26 November 2013 Afferro Holdings Limited issued an unsecured bond with a drawable value of US$100,000,000 of which US$30,000,000 was drawn down on 30 November 2013. The bond instrument carries semi-annual interest coupons and an interest rate of 9.0% per annum. The bond is repayable on the 20 December 2017. As part of this bond share warrants were issued. See Note 26 for more details.

(v) On 22 December 2014 the Company entered into a short term loan agreement with African Iron Ore Group ltd ("AIOG"), pursuant to which AIOG will loan the Company US$5.8 million (the "Loan"). The Loan, which is unsecured, is repayable on or before 30 June 2015 and bears interest at the rate of 5% per annum. No fees were paid by the Company in respect of the Loan.

On 7 January 2015 the Company agreed to convert US$3 million of the US$5.8 million short-term loan outstanding from AIOG into 19,736,842 ordinary shares at a price of 10 pence each and issue 19,736,842 warrants to subscribe for ordinary shares equivalent to one warrant for each share issued. A loss of US$3,889,967 was recognised on extinguishment of the US$3m short term loan. On 5 November 2015, the Company repaid the outstanding US$2.8 million to AIOG.

All interest rates are fixed and therefore the Group does not suffer from interest risk variance. All borrowings are denominated in US dollars and therefore are subject to foreign exchange and volatility risks.

Credit facility

In November 2013 the Company agreed a US$27 million facility with Banque Atlantique Cameroun S.A. ("Banque Atlantique"). Drawdown of the facility was conditional upon completion of the acquisition of Afferro Mining Inc ("Afferro") and on draw down would be secured against the Nkout asset. The facility is available until 12 November 2016 and bears a 12% interest rate per annum. As at 30 June 2015 no amounts have yet been drawn against this facility (2014: US$nil).

21. Convertible loan notes

	2015 US$	**2014 US$**
Current		
Convertible loan notes issued to Afferro shareholders (i)	48,735,161	-
Interest payable	6,587,964	53,977
	55,323,125	53,977
Non-current		
Convertible loan notes issued to Afferro shareholders (i)	-	47,681,152
US$25 million IMIC convertible bond note (ii)	2,150,142	1,863,010
US$5 million convertible loan (iii)	1,986,256	-
	4,136,398	49,544,162

(i) The convertible loan notes issued in December 2013 on completion of the Company's acquisition of Afferro ("Afferro CLN") have a principal amount of £0.4 (US$0.65) for every outstanding Afferro share on acquisition date and are for a two year period. The Afferro CLN are unsecured and rank pari passu with other unsecured debt obligations of IMIC. The Afferro CLN accrue interest of 8% per annum, which will be rolled up and paid at the end of its two year term. Upon maturity, the CLN together with the accrued interest will be paid either in cash or converted into shares in the Company at the equivalent market value of such ordinary shares at the time of conversion, at the Company's discretion. The Afferro CLN can be redeemed early at the option of the Company, with accrued interest to the date of redemption.

21. Convertible loan notes (continued)

At 30 June 2015, there were 84,156,294 convertible loan notes in issue. When the convertible loan notes were issued, the prevailing market interest rate for similar loan notes without conversion option was higher than the interest rate at which the convertible loan notes were issued. The effective interest rate on the convertible loan notes is 25.63%.

On 15 December 2015 a resolution was passed amending the terms of the above convertible loan notes. The following terms were agreed.

- The maturity date of the convertible loan notes will be extended by 5 years to 21 December 2020.
- Loan Noteholder will be able to convert some or all of their Loan Notes, at their discretion, at the end of each six month period during the life of the Loan Notes into Ordinary Shares in IMIC at an exercise price equal to the volume weighted average price.
- In respect of any Loan Notes upon which a conversion notice has been given IMIC has the right to exercise a cash call option during the 90 day notice period. Such cash call option shall be in respect of either all or some of the Loan Notes being converted. In the event of only some of the Loan Notes being subject to a cash call, the cash call shall be effected on a pro rata basis. The cash call option shall be for IMIC to call the relevant Loan Notes at a 10% premium to the principal and accrued interest due on the Loan Note at the conversion date, in which case the Loan Notes so called shall not be converted;
- In respect of any Loan Notes called by IMIC in this manner, the holders of such Loan Notes shall also receive warrants to subscribe for Ordinary Shares in IMIC over 10% of the number of shares into which the relevant Loan Notes would have converted. These warrants shall have a 2 year maturity from the conversion date and a strike price equal to 110% of the conversion price which would have applied if the Loan Notes had not been called; and
- IMIC shall be required to obtain and maintain a listing of the shares during the extended maturity period.
- Neither the Company, nor any of its subsidiaries (together the "Group"), will grant further security over any of the Groups' assets, revenues or any present or future undertakings above what has been agreed by the Company and announced to the market up to 3 December 2015, nor will they raise any other indebtedness unless subordinate to the Loan Notes for so long as there are any Loan Notes outstanding unless with the prior approval of Loan Noteholders by Extraordinary Resolution.

(ii) On 5 June 2013 the Company issued a multi-tranche, convertible subordinated bond notes with a drawable value of $25,000,000 of which the entire amount was drawn down on 11 June 2013. The convertible bond carries semi-annual interest coupons and an interest rate of 12% per annum. The bond is repayable on 30 October 2016. The bondholder may, at any time during the life of the bond, serve 30 days' notice and convert the outstanding principal plus accrued interest into ordinary shares in the Company at a price of 29.64 pence per ordinary share. This is considered to be a convertible loan with an embedded derivative as the number of shares to be issued as settlement is not fixed.

On 5 March 2014 the Company received notice for the conversion of US$22,142,414 of the outstanding US$25,000,000 convertible bond note. As a result, the Company issued 45,000,000 new ordinary shares at a price of 29.64 pence each (Note 23) with US$2,736,360 of the bonds remaining in issue. On conversion, the carrying value of the convertible bond note was US$14,847,492 (Note 27).

(iii) On 31 March 2015 a convertible bond was issued for a term of 36 months (the "Term") with an interest rate of 4% per annum above the three-month US Dollar LIBOR. Interest is to be paid semi-annually. The Convertible Bond can be converted into ordinary shares of 0.2 pence each in IMIC (the "Ordinary Shares") at the holder's discretion at any time following the six month anniversary of its issue and prior to the end of the Term at a price equivalent to the lowest price at which the Company has issued Ordinary Shares in the 12 months immediately preceding the conversion.

21. Convertible loan notes (continued)

Except for the US$5 million convertible loan, all interest rates are fixed and therefore the Group does not suffer from a significant interest risk variance. All borrowings are denominated in US dollars, which result in increased foreign exchange risk and volatility in the income statement and/or the statement of changes in equity.

22. Embedded derivative

The embedded derivative element of the convertible bond has been valued using the Black-Scholes model.

	2015 US$	**2014 US$**
As at 1 July	320,833	8,710,013
Initial value of embedded derivative	3,165,282	-
Change in fair value	(1,343,125)	(3,559,344)
Conversion of the convertible bond note (Note 21)	-	(5,694,554)
Foreign exchange	(7,620)	864,718
As at 30 June	2,135,370	320,833

The change in fair value of the derivative element of the US$25 million IMIC convertible bond notes from US$320,833 to US$7,294 is the result of change in assumptions used to value the embedded derivative:

	2015	**2014**
Risk free interest rate	1.46%	2.0%
Expected life	1.3 years	2.3 years
Expected volatility	42.28%	29%
Exchange rate	1.57	1.70

The initial fair value of the embedded derivative element of US$5m floating rate convertible bond at 31 March 2015 was US$3,164,282 and was valued using the Black- Scholes model. The change in fair value as at 30 June 2015 of US$2,128,076 is the result of change in assumptions used to value the embedded derivative

	2015	**Inception**
Risk free interest rate	0.88%	0.64%
Expected life	2.75 years	3.0 years
Expected volatility	52.84%	57.95%
Exchange rate	1.57	1.48

23. Share capital and share premium

	2015 No.	**2014 No.**
Allotted, called up and fully paid ordinary shares of 0.2 pence each	196,349,850	162,600,271
Deferred shares of 19.8 pence each	4,467,589	4,467,589

	2015 % of share capital	**2014 % of share capital**
Allotted, called up and fully paid ordinary shares of 0.2 pence each	97.8	97.3
Deferred shares of 19.8 pence each	2.2	2.7

The Company has chosen to apply the revised legislation from the 2006 Companies Act and removed the requirement for authorised share capital.

23. Share capital and share premium (continued)

The Company has two classes of shares which carry no right to fixed income. The ordinary shares all hold equal voting rights. The share premium account represents the total net proceeds on issue of the Company's shares in excess of their nominal value of 0.2 pence per share.

The deferred shares hold no voting rights and are to be cancelled in due course.

	Number of shares	Share capital US$	Share premium US$
Balance at 1 July 2013	60,051,100	1,575,154	18,537,201
Private placing	48,149,588	155,210	19,740,388
Conversion of the convertible bond note (Note 21(ii))	45,000,000	149,409	21,993,005
Other shares issued	76,923	251	32,352
Shares issued under anti-dilution agreement (Note 13)	9,322,660	30,693	4,482,765
Balance at 1 July 2014	162,600,271	1,910,717	64,785,711
Private placing	12,738,852	40,000	1,960,000
Extinguishment of the short term loan with shares (Note 20(v))	19,736,842	60,000	2,940,000
Shares issued under anti-dilution agreement (Note 13)	1,273,885	4,000	196,000
Balance at 30 June 2015	196,349,850	2,014,717	69,881,711

On 22 December 2014 the Company raised US$1.5 million through a private placing and issued 9,554,140 ordinary shares at a price of 10 pence each and a further 3,184,713 ordinary shares at a price of 10 pence each were issued on 25 January 2015 following the receipt of a further US$0.5 million being the second tranche of the same private placing. As per the anti-dilution agreement between IMIC and AIOG a total of 1,273,885 ordinary shares were issued to AIOG following the share issues in the year.

On 7 January 2015 the Company agreed to convert US$3 million of the US$5.8 million short-term loan outstanding from AIOG into 19,736,842 ordinary shares at a price of 10 pence each (refer to Notes 20(v) and 25).

24. Share-based payments

Following completion of acquisition of Afferro in December 2014, the Company granted 4,776,000 share options to Directors, 1,750,000 share options to certain employees and 1,000,000 share options to one of the Company's strategic advisors (Note 8). These share options vested immediately and will be exercisable at 27 pence per share. During the year to 30 June 2015 a total of 3,866,000 lapsed; as at 30 June 2015 the Company has 3,760,000 options in issue. The share options outstanding at 30 June 2015 have a fair value at grant of US$750,123 (2014: US$1,531,859) using the Black-Scholes model with the following assumptions:

Dividend yield	0%
Risk free interest rate	1.67%
Expected life	10 years
Expected volatility	32%
Weighted average exercise price	27 pence

In forming the volatility assumptions, the Directors have considered the volatility of the share price since the date of listing. The volatility of companies operating in the same sector has also been considered.

The following illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the period.

24. Share-based payments (continued)

	Number of options	WAEP pence
At 1 July 2013	100,000	20.0
Granted during the year	7,526,000	27.0
At 1 July 2014	7,626,000	26.9
Options lapsed during the year	(3,866,000)	(27.0)
At 30 June 2015	3,760,000	27.0

The Group recognised no expense in the year ended 30 June 2015 related to equity-settled share based payment transactions (2014: US$1,501,443 presented as exceptional items). In the year ended 30 June 2015 US$781,736 (2014: US$nil) previously recognised in share based payment reserve in respect of the vested options that have expired during the year were transferred to retained earnings from share based payment reserves.

25. Available for sale reserve

	US$
Balance at 1 July 2013	539,451
Disposal of investments	(539,451)
Balance at 30 June 2014 and 2015	-

The available for sale assets previously included the holding in Rainy Mountain Royalty Corporation and Afferro Mining Inc. and were disposed of in the year to 30 June 2014 with the net gain on the available for sale assets and reversal thereof on sale of the investments recognised in the income statement.

26. Warrants

a) Transactions with equity holders

On 16 July 2010 the Company issued 2,817,588 warrants to subscribe for ordinary shares to shareholders. These warrants are exercisable at 35 pence per Ordinary Share and the right is exercisable up to their expiry on 22 October 2014.

On 19 December 2013 the Company issued 96,299,376 warrants to subscribe for ordinary shares equivalent to two warrants for each share issued as part of the private placing (Note 24). The warrants are exercisable at 32 pence per ordinary share and expire on 19 December 2015.

On 31 December 2014 the Company issued 9,554,140 warrants to subscribe for ordinary shares equivalent to one warrant for each share issued as part of the private placing. The warrants are exercisable at 10 pence per ordinary share and expire on 31 December 2017.

On 2 February 2015 the Company issued 3,184,713 warrants to subscribe for ordinary shares equivalent to one warrant for each share issued as part of the private placing. The warrants are exercisable at 10 pence per ordinary share and expire on 2 February 2018.

b) Transactions with non-equity holders

On 17 December 2012 the Company issued 1,000,000 warrants to subscribe for ordinary shares in consideration for services rendered in the issuance of the US$10 million October loan fixed rate bond. These warrants are exercisable at 35 pence per share and the right is exercisable up to 1 October 2014. The fair value of these warrants was US$208,819 and are amortised over the life of the bond using the effective interest method.

On 26 November 2013 the Company issued 20,000,000 warrants to subscribe for ordinary shares in connection with the issue of the US$30 million Afferro Holdings November loan fixed rate bond. These warrants are exercisable at 40 pence per share and the right is exercisable up to 20 December 2015. The fair value of these warrants was US$591,086 and are amortised as a bond issue cost over the life of the bond using the effective interest method.

On 26 November 2013 the Company issued 10,000,000 warrants to subscribe for ordinary shares in connection with the issue of the US$30 million Afferro Holdings November loan fixed rate bond. These warrants are exercisable at 32

26. Warrants (continued)

pence per ordinary share and the right is exercisable up to 20 December 2015. The fair value of these warrants was US$566,971 and are amortised as a bond issue cost over the life of the bond using the effective interest method.

On 7 January 2015 the Company issued 19,736,842 warrants to subscribe for ordinary shares equivalent to one warrant for each share issued as part of the conversion of US$3 million into ordinary shares of the Company (see Note 20(v)). The warrants are exercisable at 10 pence per ordinary share and expire on 7 January 2018. The fair value of these warrants was US$2,380,628.

The fair value of the warrants issued during the period other than to equity holders of the Company was determined using the Black-Scholes model with the following assumptions:

	7 January 2015	26 November 2013	17 December 2012
Dividend yield	0%	0%	0%
Risk free interest rate	0.74%	1.67%	2.00%
Expected life	3 years	2 years	2 years
Expected volatility	60%	32%	92%
Exercise price	10 pence	32 or 40 pence	35 pence

In forming the volatility assumptions, the Directors have considered the volatility of the share price since the date of listing. The volatility of companies operating in the same sector has also been reviewed.

All warrants are equity settled.

The following illustrates the number and WAEP of, and movements in, warrants during the year.

	Number of warrants	WAEP pence
At 1 July 2013	3,817,588	35.0
Granted during the year	126,299,376	33.3
At 1 July 2014	130,116,964	33.3
Granted during the year	32,475,695	10.00
Lapsed during the year	(3,817,588)	(35.0)
At 30 June 2015	158,775,071	31.63

The weighted average remaining contractual life of the warrants outstanding at 30 June 2015 was 0.89 years (2014: 1.44 years)

US$208,819 previously recognised in warrant reserve in respect of warrants that have expired during the year were transferred to retained earnings from warrant reserve.

27. Accumulated losses

	2015 US$	2014 US$
Balance at 1 July 2014	(59,535,197)	(14,558,344)
Net loss for the year	(138,976,262)	(43,376,485)
Loss on conversion of convertible bond	-	(1,600,368)
Transfer from share based payment reserve on expiration of options	781,736	-
Transfer from warrant reserve on expiration of warrants	208,819	-
Extinguishment of the short term loan with shares	1,503,170	-
Balance at 30 June 2015	(196,017,734)	(59,535,197)

The loss on conversion of convertible bond relates to the difference between the exercise price of US$22,142,414 (Note 20) based on prevailing exchange rates on the date of conversion and the carrying value of the convertible bond of US$14,847,492 (Note 21) and the related embedded derivative of US$5,694,554 (Note 22).

27. Accumulated losses (continued)

The credit of US$1,503,170 recognised in retained earnings on the extinguishment of the US$3,000,000 short term loan relates to the difference between the fair value of shares issued on conversion of US$4,503,170 and the amount recognised as share capital and share premium represented by the fair value of the loan (US$3,000,000).

28. Related party transactions

During the year, the Group entered into the following transactions, in the ordinary course of business on an arm's length basis, with related parties.

Outstanding balances at the year-end are unsecured and interest free, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Except for the AIOG's loans (see Note 15), for the year ended 30 June 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: US$nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Certain accounting services for the Group were performed by Whale Rock Accounting Limited (now part of Capita plc) during the year. Mr. James Ward was a director of Whale Rock Accounting Limited.

IMIC have a sub-lease agreement for the Company's offices with Gasol plc, of which Mr. Haresh Kanabar was a director.

For disclosures for key management and personnel compensation refer to Note 8.

On 3 November 2014, Ethelbert Cooper was appointed a Director of the Company and resigned on 20 May 2016. Mr Cooper holds a controlling 90% interest in AIOG, details of transactions with which during the year have been set out in Notes 13 and 15 to these financial statements.

	2015 US$	2014 US$
Fees paid to Whale Rock Accounting Limited/Capita plc		
- Accounting services	-	211,594
- Director's fee	27,288	225,775
- Fair value of options granted	-	208,771
- Transaction bonus on completion of Afferro acquisition	-	166,870
Total payments	**27,288**	**813,010**
- Outstanding creditors at year end	-	23,138
Sub-lease charges by Gasol plc		
- Office rent and service charge	122,820	144,503
- Telecommunications cost recharges	11,252	3,756
- Staff recharges	68,535	-
Total payments	**202,607**	**148,259**
- Prepayments at year end	40,940	51,559
- Outstanding creditors at year end	-	19,700

IMIC has a relationship agreement with AIOG and under this agreement the following transactions were entered during the year:

1. IMIC advanced additional loans of US$1,613,987 (2014: US$2,380,039) to AIOG for the purpose of developing projects.
2. IMIC has accrued interest receivable of US$10,795,383 (2014: US$6,231,155) relating to the loans made to AIOG.

28. Related party transactions (continued)

3. Due to uncertainty over the recoverability of the loans to AIOG of US$25,587,334 (2014: US$20,507,996) a provision has been recorded in the year for the full amount of the receivable and has been charged to the Statement of Comprehensive Income. Should the uncertainty change in future, and should it become likely that a portion or the entire loan to AIOG will become recoverable, the provision for bad debt may be reversed in whole or in part.
4. IMIC entered into a short term loan agreement with AIOG, pursuant to which AIOG will loan IMIC US$5.8 million at an interest rate of 5% per annum, repayable on or before 30 June 2015.
5. AIOG elected to convert US$3m of the above loan into 19,736,842 new ordinary shares of 0.2pence each at the conversion price of 10pence per share. Under the terms of the conversion AIOG will receive one warrant for ordinary shares for every ordinary share received.
6. IMIC has also entered an anti –dilution agreement with AIOG, further details of which can be found in Note 13.

29. Financial instruments

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

Capital risk management
The Group manages its capital with the directors carrying out a review on a quarterly basis to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Group ensures that its liquidity risk is mitigated by placing financial assets on short term maturity, thus all financial liabilities are met as they become due, and by monitoring both the debt and equity markets for funding opportunities. In addition, the Group maintains strong relationships with its investors and bondholders. Additional detail is provided within the Strategic Report.

The capital structure of the Group consists of net debt, which includes borrowings after deducting cash and cash equivalents, and equity attributable to the owners of the parent, comprising issued capital, reserves and retained earnings.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

Net debt ratio

The net debt ratio as at 30 June is as follows:

	2015 US$	**2014 US$**
Borrowings, convertible loan note and embedded derivative	(117,307,944)	(127,563,123)
Cash and cash equivalents (Note 17)	617,986	8,528,348
Net debt	(116,689,958)	(119,034,775)
Equity	(113,629,485)	8,852,395
Net debt to equity ratio	(103%)	1,345%

Fair value estimation
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data

29. Financial instruments (continued)

2015

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets				
- Investment in AIOG	-	-	-	-

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial liabilities at FVTPL				
- Embedded derivatives	-	**2,135,371**	-	**2,135,371**

2014

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets				
- Investment in AIOG	-	-	181,728	181,728

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial liabilities at FVTPL				
- Embedded derivatives	-	320,833	-	320,833

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies of this financial information.

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

Financial assets

	2015		2014	
	Current assets	Non-current assets	Current assets	Non-current assets
Cash and cash equivalents	617,986	-	8,528,348	-
Other receivables	355,893	-	687,243	-
Restricted cash	-	317,704	-	608,091
	973,879	317,704	9,215,591	608,091

Financial liabilities

	2015		2014	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Trade and other creditors	1,865,314	-	2,759,853	-
Borrowings	6,264,680	49,448,370	10,773,039	66,871,112
Convertible bond notes	55,323,125	4,136,398	53,977	49,544,162
Embedded derivatives	-	2,135,371	-	320,833
	63,453,119	55,720,139	13,586,869	116,736,107

Fair value of financial assets and liabilities

There is no material difference between book value and the fair value of the financial assets and liabilities aside from with the borrowings and convertible bond notes.

29. Financial instruments (continued)

Set out below is a comparison of carrying amounts and fair values of all of the borrowings and convertible loans:

	2015		2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Borrowings	55,713,050	84,446,136	77,644,151	91,075,833
Convertible bond notes	59,459,523	50,442,075	49,598,139	50,433,993
	115,172,573	134,888,211	127,242,290	141,509,826

Credit risk

Credit risk is the financial loss to the Group if a counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents, restricted cash and other receivables balances.

The majority of the cash balances are held at banks registered in the United Kingdom, Switzeland and Luxembourg and have not been rated by Standard and Poor.

Due to uncertainty over the recoverability of the loans to AIOG a provision for the entire amount including accrued interest of US$20,555,263 (2014: US$20,507,996) has been charged against the statement of comprehensive income with the current year charge being US$6,661,634 (2014: US$20,507,996).

With respect to the Group's financial assets the maximum exposure to credit risk due to default of the counter party is equal to the carrying value of these instruments.

	2015	**2014**
	US$	**US$**
Loans and other receivables	806,441	-
Restricted cash	317,704	-
Cash and cash equivalents	617,986	8,528,348
	1,742,131	8,528,348

Interest rate risk

The Group has minimal exposure to interest rate risk. It is exposed to interest rate risk on some of its financial assets being its cash at bank balances however the current interest rate is minimal therefore any fluctuations are immaterial.

The working capital loan advanced to AIOG is recoverable with a fixed 25% annual interest rate therefore the Group does not believe it is exposed to fluctuations in the interest rate.

Except for the US$5m convertible loan, all the borrowings and convertible bond notes issued by the Company have fixed interest rate.

The Directors currently believe that the interest rate risk is at an acceptable level.

Foreign currency risk

As highlighted earlier in these financial statements, the functional currency of the parent is Pounds Sterling however the Group has adopted a presentation currency of the US Dollar. The Group also has foreign currency denominated assets and liabilities. Exposures to exchange rate fluctuations therefore arise. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities, are shown below in the Group's presentational currency.

29. Financial instruments (continued)

	2015 US$	2014 US$
US Dollars		
Loans and receivables	-	-
Cash at bank	7,979	1,861,315
Other financial assets	-	-
Trade and other payables	(191,785)	(38,004)
Borrowings	(55,713,050)	(77,644,151)
Convertible loan notes	2,135,371	(2,183,843)
Euros		
Cash at bank	(6,769)	2,698
Trade and other payables	(28,797)	(20,013)
Central African Francs		
Cash at bank	60,312	5,948,174
Restricted cash	317,704	608,091
Receivables	113,841	190,247
Trade and other payables	(581,256)	(1,585,344)
Canadian Dollars		
Cash at bank	2,393	4,457
Australian dollars		
Trade and other payables	-	(207,531)
Receivables	13,705	-

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The following table details the Group's sensitivity to a 10% increase and decrease in the foreign currencies against US Dollars. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates:

2015	Currency impact strengthening US$	Currency impact weakening US$
USD Dollars		
Assets	797	(797)
Liabilities	(5,590,484)	5,590,484
Central African Francs		
Assets	49,186	(49,186)
Liabilities	(58,125)	58,135
Australian dollars		
Asset	1,370	(1,370)
	(4,370,118)	7,306,389

29. Financial instruments (continued)

2014	Currency impact strengthening US$	Currency impact weakening US$
USD Dollars		
Assets	186,132	(186,132)
Liabilities	(7,986,600)	7,986,600
Euros		
Assets	270	(270)
Liabilities	(2,001)	2,001
Canadian Dollars		
Assets	446	(446)
Central African Francs		
Assets	674,651	(674,651)
Liabilities	(158,534)	158,534
Australian dollars		
Liabilities	(20,753)	20,753
	(7,306,389)	7,306,389

The Board carefully monitors the exchange rate fluctuations and monitors its impact on the current asset and liability situation. Exchange rates are negotiated with the bank as and when needed.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to try and ensure that it will have sufficient cash to allow it to meet its liabilities when they become due. However, he Company's current cash position will fund operations till October 2017 and additional funds will be required to meet the working capital requirements of the Company.

The Board manages liquidity risk by regularly reviewing the Group's gearing levels and cash flow projections. The Directors recognise that the Group will need to raise additional finance to develop the investment policy actively (see going concern disclosure in Note 2).

The Group maintains good relationships with its bank and its cash requirements are anticipated via the budgetary process. At 30 June 2015, the Group had US$617,986 (2014: US$8,528,348) of cash reserves.

Maturity of financial liabilities

At 30 June 2015	Due within 30 days US$	Due between 30 days and one year US$	Due after one year US$
Trade and other payables	1,865,314	-	-
Borrowings	-	6,264,680	49,448,370
Convertible bond notes	-	6,587,964	52,871,559
Embedded derivatives	-	-	2,135,371
Total financial liabilities	**1,865,314**	**12,852,644**	**104,455,300**

29. Financial instruments (continued)

At 30 June 2014	**Due within 30 days**	**Due between 30 days and one year**	**Due after one year**
	US$	**US$**	**US$**
Trade and other payables	2,759,853	-	-
Borrowings	-	17,912,500	93,350,000
Convertible bond notes	-	323,864	49,898,993
Embedded derivatives	-	-	320,833
Total financial liabilities	**2,759,853**	**18,236,364**	**143,569,826**

30. Commitments

a) Operating commitments

As at 30 June, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015	**2014**
	US$	**US$**
Within one year	313,093	313,093
In the second to fifth years	547,913	547,913
In over five years	-	-
	861,006	861,006

The increase in committed lease costs is caused by the Company taking out an additional lease in an adjacent office in order to expand the office space in May 2013. The Company holds two leases for its corporate head offices, both of which currently expire in February 2017.

b) Capital commitments - exploration

As at 30 June, the Group had outstanding exploration commitments for future minimum payments under non-cancellable contracts, which fall due as follows:

	2015	**2014**
	US$	**US$**
Within one year	-	7,894,420
In the second to fifth years	-	323,424
In over five years	-	-
	-	8,217,843

31. Subsequent events

Loan facility

The Company entered into a loan facility agreement with Heretown Securities Corporation Ltd on 23 September 2015, which provided additional funding facility of up to US$1 million for working capital purposes, of which US$98,637 has been drawn down and subsequently repaid with accrued interest. As at 27 October 2016 there is no outstanding balance on this facility.

AIM listing

On 8 October 2015, the Company announced the suspension of its ordinary shares from trading on AIM following the resignation of its Nominated Adviser.

At that time, the Company informed the market that its Cameroonian subsidiary Caminex SA ("Caminex") received a capital gains tax claim from the Tax Authorities in Cameroon in connection with the 2013 acquisition of Afferro Mining Inc. ("the Acquisition"). The Company has subsequently consulted professional tax and legal advisers who have confirmed that the tax charge does not comply with Cameroonian tax law as applicable at the time of the Acquisition, and that the total amount of tax demanded is without justification.

The admission of the Company's ordinary shares to trading on AIM was cancelled with effect from 10 November 2015.

Afferro Convertible Loan

On 6 November 2015, the Company issued written notice to the holders of 8% convertible loan notes ("Convertible Loan Notes"), issued as part of the consideration for the Acquisition in December 2013, that the Convertible Loan Notes and the outstanding balance of interest will be converted into Ordinary Shares of the Company.

Subsequently, The Loan Noteholders have requested the Company to convene a meeting of the Loan Noteholders to consider an extraordinary resolution to amend certain terms of the Loan Notes. The extraordinary resolution was passed by the required majority of votes at the Loan Noteholders' meeting held on 14 December 2015. Effectively, the maturity date of the Convertible Loan Notes has been extended to December 2020. The Loan Noteholders will now have the right to convert their Loan Notes into IMIC Shares at prevailing market prices and there will be a window twice yearly for that conversion to take place in June and December. In addition, the Company has the right to exercise a cash call option to convert by a Loan Noteholder at a ten per cent premium. If that right is exercised by the Company, the Loan Noteholder concerned will be granted warrants with a two year life to subscribe for IMIC Shares. Finally, IMIC will be required to obtain and maintain a listing.

The Company subsequently withdrew and cancelled the conversion notice served upon the Loan Noteholders on 6 November 2015.

US$22 million New Bond

On 9 November 2015, IMIC announced that US$22 million had been raised via a New Bond. The New Bond was issued for a 4 years term, bearing interest at the fixed rate of 15% per annum with 3% payable on 5 November in each year starting in 2016. The remaining 12% is deferred and payable with the principal amount of the New Bond at maturity.

The terms of the New Bond require that Caminex grants a security trustee for the New Bondholders the option to acquire 4,903 shares in Caminex ("Caminex Option") which equates to a 49.5% stake in Caminex. The option is exercisable at the nominal value. The enlarged share capital of Caminex will be 9,905 shares with a nominal value of Central African francs 10,000 (US$16.35) per share.

Caminex has agreed to make a royalty payment to the New Bondholders over a 35 year term. This is subject to a Royalty Agreement being entered into and relates to the payment of 100 cents per tonne produced at the Caminex mine at Ntem, targeted at 4 million tonnes over the life of mine, and 25 cents per tonne produced at the Caminex mine at Nkout, targeted at between approximately 16 million tonnes initially and rising to 35 million tonnes. The royalty arrangement requires the approval of IMIC shareholders.

The Company has agreed to grant the New Bondholders and the existing bondholders security over all the Company's shares in Caminex, IMIC's operating subsidiary which holds the Ntem, Nkout and Akonolinga iron ore assets in Cameroon, representing 99.4% of the issued share capital of Caminex.

31. Subsequent events (continued)

Bonds restructuring
Also on 9 November the Company announced further proposed changes to the terms of its four existing bond instruments which lowered the rate of coupon on all existing bonds payable on an annual basis to 3% and deferring the remaining 2% to the maturity of each existing bond.

Pre-Feasibility Studies
In November 2015 the Company completed both the Phase 1 Pre-Feasibility Study and the Full PFS, which indicate attractive economics for the Nkout project located in Southern Cameroon. The adapted approach of phased development for the Nkout project presents significant advantages, including reduced capital and financing requirements and maximised return on capital.

General Meeting
On 15 December 2015 the Company held a General Meeting, whereat the proposed resolution was duly passed. The Company's shareholders approved, inter alia, the proposed amendments to the terms of Convertible Loan Notes and the terms of the New Bond. Following the approval, the Company withdrew and cancelled the conversion notice served upon the Loan Noteholders on 6 November 2015.

Pre-Feasibility Studies
PFS for the Ntem deposit was completed in May 2016. The study confirms the project's technical and economic potential and presents an attractive development opportunity. The PFS confirms very competitive operating costs and an opportunity to develop a high grade project supported by existing port infrastructure, close proximity to the port and availability of natural gas at Kribi.

General Meeting
Upon the request from IMIC's substantial shareholder, AIOG, the Company convened a general meeting of shareholders of the Company whereat the resolution for the Company to enter into a Loan Agreement for US$ 2,500,000 with Société Internationale Métallique (Canada) Limitée was passed. The general meeting was held on 18 May 2016 and the Loan was advanced to SIM thereafter.

Board Changes
On 19 May 2016 Mr Manish Kotecha was appointed to the Board of IMIC as Non-Executive Director.

On 20 May 2016 Mr Ethelbert Cooper stepped down from the Board of IMIC with immediate effect to pursue a role of Chairman of SIM. Mr Cooper has been succeeded by Haresh Kanabar, former Chief Financial Officer and Chairman of IMIC. Mr Kanabar has been a director of IMIC since 2007 and remains committed to driving the Company's strategy and the development of IMIC's assets to production.

On the same day, having served nearly three years as Non-Executive Director, Mr Gouping Liu resigned from the Board of IMIC with immediate effect to focus on other business commitments in Asia.

Further bonds restructuring
In October 2016 the Bondholders, representing US$112,000,000 of the total outstanding IMIC Group bond issuance, have agreed to further restructure the debt by the amendment to the future coupon payments on each instrument that will now revert to their original rates and will be payable either in cash or via payment in kind (PIK) through issue of new bonds or a combination of the two, at the option of the Company. This will give the Company significant flexibility and may reduce cash outflows.

The below amendments were formalised at the Bondholders meetings on 5 and 7 October 2016 and by extraordinary resolution on 12 October 2016:

- US$30 million bond due 30 October 2021, ISIN XS0913978382
  - the interest rate will revert to the original rate as per the original bond instrument of 8.75% payable on an annual basis with effect from 30 October 2014;
  - all accrued and unpaid interest up to 30 October 2015 amounting to $1,725,000 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 30 October 2015 $31,725,000;
  - interest due on 30 October 2016 in the sum of $2,775,938 will not be paid in cash but shall be settled by the issue of additional Bonds;
  - with effect from 30 October 2017 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;

31. Subsequent events (continued)

- any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 8.75% from the date interest was due;
- on maturity the Bonds will be repayable at par;
- there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.

· US$20 million bond due 30 October 2021, ISIN XS0942222653

- the interest rate will revert to the original rate as per the original bond instrument of 8.875% payable on an annual basis with effect from 30 October 2014;
- all accrued and unpaid interest up to 30 October 2015 amounting to $1,175,500 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 30 October 2015 $21,175,000;
- interest due on 30 October 2016 in the sum of $1,879,281 will not be paid in cash but shall be settled by the issue of additional Bonds;
- with effect from 30 October 2016 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;
- any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 8.875% from the date interest was due;
- on maturity the Bonds will be repayable at par;
- there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.

· US$30 million bond due 20 December 2020, ISIN XS0996442736

- the interest rate will revert to the original rate as per the original bond instrument of 9% on an annual basis with effect from 20 December 2014;
- all accrued and unpaid interest up to 20 December 2015 amounting to $1,800,000 will be by the issue of additional Notes making the revised amount of issued Notes as at 20 December 2015 $31,800,000;
- interest due on 20 December 2016 in the sum of $2,862,000 will not be paid in cash but shall be settled by the issue of additional Notes;
- with effect from 20 December 2017 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Notes or a combination of the two;
- any interest that is settled by the issue of additional Notes will mean that interest will be payable on those Notes at the rate of 9% from the date interest was due;
- on maturity the Notes will be repayable at par;
- there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.

· US$22 million bond due 5 November 2019, ISIN XS1311328329

- the interest rate to the original rate as per the bond instrument of 15% on an annual basis with effect from 5 November 2016;
- all accrued and unpaid interest up to 5 November 2016 amounting to $3,300,000 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 5 November 2016 $25,300,000;
- with effect from 5 November 2016 (the annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;
- any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 15% from the date interest was due.

· US$10 million bond due 18 October 2020, ISIN GB00B8FT2R86

- the interest rate to the original rate as per the original bond instrument of 8.125% on an annual basis with effect from 18 October 2014;
- all accrued and unpaid interest up to 18 October 2015 amounting to $512,500 will be by the issue of additional Bonds making the revised amount of issued Bonds as at 18 October 2015 $10,512,500;
- interest due on 18 October 2016 in the sum of $854,141 will not be paid in cash but shall be settled by the issue of additional Bonds;
- with effect from 18 October 2017 (the next annual interest payment date), at the option of the Issuer, interest will be paid in cash or in the form of the issue of additional Bonds or a combination of the two;
- any interest that is settled by the issue of additional Bonds will mean that interest will be payable on those Bonds at the rate of 8.125% from the date interest was due;
- on maturity the Bonds will be repayable at par;
- there will be no Accelerated Repayment in the event EJL Cooper is not a Non-Executive Chairman of IMIC.

31. Subsequent events (continued)

US$27 million October 2016 Bond

The Company successfully raised a further US$27 million on 21 October 2016 through additional bonds issue. US$10 million of the proceeds will be used towards the working capital of the Group, including settlement of the tax dispute with the Government of Cameroon, as well as the servicing of the Group's essential debt obligations. As a condition of the bond, the remaining US$17 million has been lent to Metal Holdings Limited (a parent Company to SIM owned by Ethelbert Cooper) on terms that match those of the bond for purposes of implementation of their Canadian iron ore related strategy. On 24 October 2016 the loan to MHL was advanced. On the same day US$1 million of the loan to SIM, a subsidiary of MHL, was repaid to the Company and the remainder of the loan will be repaid in May 2017.

The Directors are responsible for preparing the Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law they have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

Under Company law the Directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the Company financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC

We have audited the parent Company financial statements of International Mining & Infrastructure Corporation plc for the year ended 30 June 2015 which comprise the Company Statement of Financial Position, Company Statement of Changes in Equity, Company Statement of Cash Flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 70, the directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going Concern

In forming our opinion, which is not modified in this respect, we have also considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The conditions described in note 1 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Company financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Steven Dobson (Senior statutory auditor)

for and on behalf of Ernst &Young LLP, Statutory Auditor

London

Date:

Notes:

1. The maintenance and integrity of the International Mining & Infrastructure Corporation plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	Year ended 30 June 2015 US$	Year ended 30 June 2014 US$
Assets			
Non-current assets			
Property, plant and equipment	3	136,075	183,241
Investments – AIOG	4	-	181,728
Investments – Available for sale	5	-	-
Investments – FVTPL	5	-	-
Investments in subsidiaries	2	-	103,444,148
Loans and receivables	7		-
Total non-current assets		136,075	103,809,117
Current assets			
Cash and cash equivalents	6	563,539	6,557,325
Other financial assets	7	-	-
Trade and other receivables	7	688,389	450,725
Total current assets		1,251,928	7,008,050
Total assets		1,388,003	110,817,167
Liabilities			
Current liabilities			
Trade and other payables	8	1,280,128	1,112,837
Borrowings	9a)	4,173,014	10,297,206
Convertible loan notes	9b)	55,323,125	53,977
Total current liabilities		60,776,267	11,464,020
Non-current liabilities			
Borrowings	9a)	16,144,450	25,737,072
Convertible bond note	9b)	4,136,398	49,544,162
Embedded derivatives	9c)	2,135,371	320,833
Total non-current liabilities		22,416,219	75,602,067
Total liabilities		83,192,486	87,066,087
Net (liabilities)/ assets		(81,804,483)	23,751,080
Equity			
Share capital	12	2,014,717	1,910,717
Share premium account	12	69,881,711	64,785,711
Available-for-sale reserve	10	-	-
Warrant reserve	14	3,538,684	1,366,876
Accumulated losses	11	(162,861,405)	(44,112,914)
Share-based payment reserve	15	750,123	1,531,859
Translation reserve		4,871,687	(1,731,169)
Equity attributable to equity holders of the parent		(81,804,483)	23,751,080

The financial statements were approved by the board of directors and authorised for issue on 28 October 2016. They were signed on its behalf by:

H. D. Kanabar
Director
Company registration number: 05143779

INTERNATIONAL MINING & INFRASTRUCTURE CORPORATION PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Share capital	Share premium	Share based payment reserve	Available –for-sale reserve	Warrant reserve	Retranslation reserve	Retained earnings	Total
	US$	US$	US$	US$	US$	US$	US$	US$
At 1 July 2013	1,575,154	18,537,201	30,416	539,451	208,819	(178,824)	(14,372,501)	6,339,716
Total loss for the year	-	-	-	-	-	-	(30,947,642)	(30,947,642)
Other comprehensive income	-	-	-	2,268,146	-	(1,552,345)	-	715,801
Transfer to Accumulated Losses on disposal	-	-	-	(2,807,597)	-	-	2,807,597	-
Share based payment (Note 24)	-	-	1,501,443	-	-	-	-	1,501,443
Conversion of convertible loan notes (Note 21(ii))	149,409	21,993,005	-	-	-	-	(1,600,368)	20,542,046
Other issue of shares (Note 23)	186,154	25,313,249	-	-	-	-	-	25,499,403
Cost of issuing shares (Note 23)	-	(1,057,744)	-	-	-	-	-	(1,057,744)
Issue of warrants	-	-	-	-	1,158,057	-	-	1,158,057
At 30 June 2014	1,910,717	64,785,711	1,531,859	-	1,366,876	(1,731,169)	(44,112,914)	23,751,080
Total loss for the year	-	-	-	-	-	-	(121,242,216)	(121,242,216)
Other comprehensive income	-	-	-	-	-	6,602,856	-	6,602,856
Lapse of share options	-	-	(781,736)	-	-	-	781,736	-
Other issue of shares (Note 23)	104,000	5,096,000						5,200,000
Expired warrants (Note 26)	-	-	-	-	(208,819)	-	208,819	-
Issue of warrants	-	-	-	-	2,380,627	-	1,503,170	3,883,797
At 30 June 2015	2,014,717	69,881,711	750,123	-	3,538,684	4,871,687	(162,861,405)	(81,804,483)

COMPANY STATEMENT OF CASH FLOWS

	30 June 2015 US$	30 June 2014 US$
Loss for the year	(121,242,216)	(28,140,045)
Depreciation	33,211	42,313
Shares issued under anti-dilution agreement	200,000	4,513,458
Gain on disposal of investment in Afferro	-	(2,807,597)
Share-based payment	-	-
Interest income	(5,055,864)	(3,971,436)
Interest expense	17,961,408	14,682,916
Impairment and change in fair value of investments	168,104	(541,521)
Foreign exchange loss	4,590,295	(3,905,109)
Change in fair value of embedded derivative	(1,343,125)	(3,559,344)
Provision for loans and receivables	6,661,634	20,507,996
Impairment of investment in subsidiaries	110,802,217	-
Bond restructure	(14,866,993)	-
Cash flow from operating activities before changes in working capital	**(2,091,329)**	**(3,178,369)**
Decrease/(increase)/ in receivables	(112,664)	4,967,276
(Decrease)/increase in payables	167,291	(5,482,365)
Net cash outflow from operating activities	**(2,036,703)**	**(3,693,458)**
Investing activities		
Interest received	1,119	49,761
Loan advances to AIOG	(1,614,911)	(1,884,948)
Purchase of property, plant and equipment	-	(69,775)
Investment in Afferro	-	(2,240,804)
Investment in and loans to subsidiaries	(7,358,069)	(100,086,321)
Dividend received from subsidiary	-	70,000,000
Net cash used in investing activities	**(8,971,861)**	**(34,232,087)**
Financing activities		
Proceeds from issue of share capital	2,000,000	20,953,342
Share issue costs	-	(1,057,744)
Proceeds from issue of bond and loans	10,800,000	70,000,000
Bond commission costs	(917,828)	-
Interest paid	(2,773,823)	(5,836,884)
Issue of loan	-	-
Repayment of loan		(71,568,700)
Net cash from financing activities	**9,108,348**	**12,490,014**
(Decrease)/Increase in cash and cash equivalents	**(1,900,215)**	**(25,435,531)**
Reconciliation to net funds		
Cash and cash equivalents at the beginning of the year	6,557,325	29,421,763
Foreign exchange movement	(4,093,572)	2,571,093
Cash and cash equivalents at the end of the year	**563,538**	**6,557,325**

1. Significant accounting policies

The parent Company financial statements of International Mining & Infrastructure Corporation plc ("the Company") are presented as required by the Companies Act 2006 and were approved for issue on 27 October 2016. The statement of financial position was signed on the board's behalf by H. D. Kanabar.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention or fair value where appropriate.

No profit and loss account is presented by the Company as permitted by Section 408 of the Companies Act 2006. The loss for the parent Company during the year ended 30 June 2015 was US$121,242,216 (2014: US$28,140,045).

The Company's functional currency is the Pound Sterling and the presentation currency of the Company is US Dollars. The Company has elected to use the US Dollar as its presentation currency in order to provide a more meaningful comparison with the financial statements of the Group.

Going concern

The financial statements have been prepared on a going concern basis. The audited results for the year reflect the current nature of the Group's activities being mineral exploration and project development. The current nature of the Group's activities does not provide it with production or trading revenues, and its funding is therefore reliant on the support of existing investors, and the major bondholder in particular.

Subsequent to year end, the Group secured additional bond funding through two issues raising gross proceeds of US$22 million in November 2015 and US$27 million in October 2016. The US$22 million funds have been used to enable the Group to complete the Ntem and Nkout pre-feasibility studies. Following the utilisation of these funds a further bond raising was made on 21 October 2016. Of the gross US$27 million proceeds raised, and as a condition of the bond, US$17 million has been on-lent to Metal Holdings Limited (MHL) on terms that match those of the bond for the purposes of pursuing its Canadian iron ore related strategy. The funds will be used by MHL for the implementation of their Canadian iron ore related strategy which entails development of a pellet plant and acquisition of the iron ore output from the Ntem mine

The credit risk for the $17m on-lent lies with the bond holder, further details of the terms and conditions of this loan arrangement are disclosed in note 31 of the financial statements. The remaining US$10 million raised will be used to fund the Group's working capital requirements for the next twelve months, including servicing its debt obligations.

However, following the latest bond issue and based on latest forecast cash flows, the Group only has sufficient cash resources to fund its activities through to November 2017, at which point it will require additional sources of external funding to enable it to continue to meet its liabilities as and when they fall due.

During December 2015 the Group's Convertible Loan notes were amended by agreement with the note holders and ratified by IMIC shareholders. Under the amended terms the maturity date of the loan notes was extended by 5 years to 21 December 2020. This resolution was passed on 14 December 2015 and was then subsequently passed by the shareholders on 15 December 2015. One of the conditions inclusive in the Convertible Loan notes is the requirement that the Group is required to maintain a listing on a registered exchange. At the signing date of the financial statements IMIC had not yet relisted and therefore is in breach of the loan note covenants.

Under the terms of the loan notes the holders have the right to convert their CLNs into IMIC Shares at prevailing market prices in two twice yearly windows in June and December. If IMIC are not listed during a conversion window then this will be deemed to be a listing failure. In the event that a listing failure occurs for a second time in a subsequent period IMIC can in relation to that second conversion request be required to redeem the Loan notes for cash at the second conversion date. The Directors plan to list the Group on ICAP Securities & Derivatives Exchange (ISDX) by the end of the 2016 calendar year.

The Group's objective is ultimately to re-list its shares on a registered market, raise additional equity and debt funding that would strengthen the balance sheet to continue operations, complete defined feasibility studies and meet debt and interest obligations. Further funds would then be required to develop its Cameroon mine assets, with one option being to provide feed for the Pointe-Noire pellet plant in Quebec as part of MHL's proposed implementation of its Canadian iron ore related strategy.

1. **Significant accounting policies (continued)**

The directors believe the bondholders will continue to support IMIC until iron ore markets improve and further funding is obtained. Nevertheless they acknowledge that there is significant uncertainty over the Group's ability to raise this additional medium term funding and funding to develop the resources should the market improve. Furthermore, such funding would depend on the Government of Cameroon continuing to renew the licences for the Group's main exploration assets, Nkout and Ntem. Nkout's licence renewal application was submitted in April 2015, and Ntem's licence runs to 5 February 2017. The Group believes these permits are in good standing, and has a history of successful renewal every two years.

On the basis of the recently raised bond funds and the continued support from the existing investors, and the major bondholder in particular, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, while the Directors believe that the Group will obtain additional equity or debt funding sufficient to enable it to continue in operational existence for the foreseeable future, they have concluded that the lack of sufficient committed funds beyond the next twelve months along with the uncertainty of a future listing represents material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notes to the Company financial statements have only been prepared where there is a difference to the Consolidated financial statements.

Significant accounting policies of the Group as detailed in note 2 of the Group financial statements have been applied in the preparation of the Company financial statements except as described below.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

2. **Investments in subsidiary undertakings**

	2015 US$	**2014 US$**
At 1 July	103,444,148	2
Addition	7,358,069	173,444,146
Return of capital	-	(70,000,000)
Impairment	(110,802,217)	-
At 30 June	-	103,444,148

At 30 June 2015, the Company's subsidiary undertakings, all of which are included in the consolidated Group financial information, were: -

Company	Place of incorporation	Percentage ownership
Afferro Mining Inc. * and its subsidiaries:	Canada	100%
African Aura Resources UK Limited ***	England & Wales	100%
Mano River Iron Ore Holdings Limited and its subsidiaries:	Republic of Seychelles	100%
Fermont Mining Limited and its subsidiaries:	Republic of Seychelles	100%
Caminex SA	Cameroon	100%
Fermont Mining SARL **	Cameroon	100%
Ridgeway Energy Limited and its subsidiary:	Republic of Seychelles	70%
Ridgeway Energy SARL	Cameroon	100%
Affcam Limited **	Republic of Seychelles	100%
Camferro Resources Limited **	Republic of Seychelles	100%
Gofe Resources Limited **	Republic of Seychelles	100%
IMIC Investments Limited **	British Virgin Islands	100%

* Previously known as Afferro Holdings Limited before amalgamation
** Dormant Company
*** African Aura Resources UK Limited was dissolved on 30/09/2014
Investment in the above Group companies are comprised of ordinary shares.

3. Property, plant and equipment

Office furniture and office equipment	Total 2015 US$	Total 2014 US$
Cost		
At 1 July	267,958	175,727
Additions	-	69,775
Foreign exchange	(20,483)	22,456
At 30 June	247,475	267,958
Depreciation		
At 1 July	84,717	37,101
Charge for the year	33,211	42,313
Foreign exchange	(6,528)	5,303
At 30 June	111,400	84,717
Carrying value		
At 30 June	136,075	183,241

No borrowing costs have been capitalised during the year ended 30 June 2015 or 30 June 2014.

4. Investments – AIOG

See Note 13 of the Consolidated Financial Statements.

5. Investments

See Note 14 of the Consolidated Financial Statements.

6. Cash and cash equivalents

	2015 US$	2014 US$
Cash at bank and in hand	563,539	6,557,325

Cash and cash equivalents (which are presented as a single class of assets on the face of the statement of financial position) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

The majority of the cash balances are held at banks registered in the United Kingdom, Switzerland and Luxembourg and which have not been rated by Standard and Poor – and.

7. Other receivables and other financial assets

	2015 US$	2014 US$
Current		
Other receivables	411,054	85,535
Prepayments	277,335	365,190
	688,389	450,725
Non-current		
Loan and other receivables	14,800,421	14,276,841
Accrued interest receivable	10,801,564	6,231,155
Provision for loans and receivables	(25,601,985)	(20,507,996)
	-	-

7. Other receivables and other financial assets (continued)

Please refer to Note 15 to the Consolidated Financial Statements for details of the loan and other receivables, accrued interest receivable and provisions for loans and receivables accounts.

8. Trade and other payables

	2015 US$	2014 US$
Trade creditors and accruals	1,042,845	1,078,926
Social security and other taxes	237,283	33,911
	1,280,128	1,112,837

Trade creditors and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

The carrying amount of trade and other payables approximates their fair value.

9. Borrowings

a) Borrowings

	2015 US$	2014 US$
Current		
US$10 million IMIC October 8.125% bond (see note 20(i) of the consolidated financial statementsfinancial statements)	-	9,697,206
Interest payable	1,350,000	600,000
Short term loan (see note 20(v) of the consolidated financial statements)	2,823,014	-
	4,173,014	10,297,206
Non-current		
US$10 million IMIC October 8.125% bond (see note 20(i) of the consolidated financial statements financial statements)	4,352,803	-
US$15 million IMIC April 8.75% bond (see note 20ii) of the consolidated financial statements)	11,791,647	12,884,063
US$15 million IMIC May 8.75% bond (see note 20(ii) of the consolidated financial statements)	-	12,853,009
	16,144,450	25,737,072

Credit facility - See note 20 of the Consolidated Financial Statements.

b) Convertible bond note

See note 21 of the Consolidated Financial Statements

c) Embedded derivative

See note 22 of the Consolidated Financial Statements

10. Available for sale reserve

See note 25 of the Consolidated Financial Statements.

11. Accumulated losses

	Retained earnings 2015 US$	**Retained earnings 2014 US$**
Balance at 1 July	(44,112,914)	(14,372,501)
Net loss for the year	(121,242,216)	(28,140,045)
Transfer from share based payment reserve on expiration of options	781,736	-
Transfer from warrant reserve on expiration of warrants	208,819	
Issue of warrants	1,503,170	-
Conversion of convertible loan notes	-	(1,600,368)
Balance at 30 June	(162,861,405)	(44,112,914)

See note 27 to the Consolidated Financial Statements.

12. Share capital and share premium

See note 23 of the Consolidated Financial Statements.

13. Financial instruments

The Company is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Company for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

Capital risk management

The Company manages its capital with the directors carrying out a review on a quarterly basis to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company ensures that its liquidity risk is mitigated by placing financial assets on short term maturity, thus all financial liabilities are met as they become due, and by monitoring both the debt and equity markets for funding opportunities. In addition, the Company maintains strong relationships with its investors and bondholders. Additional detail is provided within the Strategic Report.

The capital structure of the Company consists of net debt, which includes borrowings after deducting cash and cash equivalents, and equity attributable to the owners , comprising issued capital, reserves and retained earnings.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

13. Financial instruments (continued)

Net debt ratio

The net debt ratio as at 30 June is as follows:

	2015 US$	2014 US$
Borrowings and working capital loan	(81,912,358)	(85,953,250)
Cash and cash equivalents (Note 6)	563,539	6,557,325
Net debt	(81,348,819)	(79,395,925)
Equity	28,997,734	23,751,080
Net debt to equity ratio	281%	334%

Fair value estimation

See Note 29 of the Consolidated Financial Statements.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies of these financial statements.

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

Financial assets

	2015		2014	
	Current assets	Non-current assets	Current assets	Non-current assets
Cash and cash equivalents	563,539	-	6,557,325	-
Other receivables	411,054	-	85,535	-
	974,593	-	6,642,860	-

Financial liabilities

	2015		2014	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Trade and other payables	1,280,128	-	1,112,837	-
Borrowings	4,173,014	16,144,450	10,297,206	25,737,072
Convertible bond note	55,323,125	4,136,398	53,977	49,544,162
Embedded derivatives	-	2,135,371	-	320,833
	60,776,267	22,416,219	11,464,020	75,602,067

Fair value of financial assets and liabilities

In the directors' opinion, there is no material difference between book value and the fair value of the financial assets and liabilities aside from with the borrowings and convertible bond note.

Set out below is a comparison of carrying amounts and fair values of all of the borrowings and convertible loan:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings	20,317,464	45,350,000	36,034,278	40,600,000
Convertible loan notes	59,459,523	51,488,002	49,598,139	50,433,993
	79,776,987	96,838,002	85,632,417	91,033,993

13. Financial instruments (continued)

Credit risk

Credit risk is the financial loss to the Group if a counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and other receivables balances.

The majority of the cash balances are held at banks which have not been rated by Standard and Poor – and registered in the United Kingdom, Switzerland and Luxembourg.

Due to uncertainty over the recoverability of the loans to AIOG a provision for the entire amount including accrued interest of US$5,093,990 (2014: US$20,507,996) has been charged against the Statement of Comprehensive Income in the year.

With respect to the Group's financial assets the maximum exposure to credit risk due to default of the counter party is equal to the carrying value of these instruments.

	2015	**2014**
	US$	**US$**
Loans and other receivables	411,054	85,535
Cash and cash equivalents	563,539	6,557,325
	974,593	6,642,860

Interest rate risk

The Company has minimal exposure to interest rate risk. It is exposed to interest rate risk on some of its financial assets being its cash at bank balances however the current interest rate is minimal therefore any fluctuations are immaterial.

The working capital loan advanced to AIOG is recoverable with a fixed 25% annual interest rate therefore the Group does not believe it is exposed to fluctuations in the interest rate.

The borrowings and convertible bond notes drawn down during the year all have fixed interest rates.

Except for the US$5m convertible loan, all the borrowings and convertible bond notes issued by the Company have fixed interest rate.

The Directors currently believe that the interest rate risk is at an acceptable level.

Foreign currency risk

As highlighted earlier in these financial statements, while the functional currency of the Company is the pound sterling, the presentation currency of the Group and the Company is US Dollars. The Company's assets and liabilities are mainly denominated in pound sterling. Exposures to exchange rate fluctuations therefore arise. The carrying amount of the Company's foreign currency denominated monetary assets and liabilities, are shown below in the Company's presentational currency.

	2015	**2014**
	US$	**US$**
US Dollars		
Cash and cash equivalents	6,651	128,830
Trade and other payables	(191,785)	-
Borrowings	(20,317,464)	(37,951,265)
Embedded derivative	(2,135,371)	(320,833)
Euro		
Trade and other payables	(28,797)	-

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The following table details the Group's sensitivity to a 10% increase and decrease in the foreign currencies against Sterling. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates:

13. Financial instruments (continued)

2015	Currency impact strengthening US$	Currency impact weakening US$
US Dollar		
Assets	66	(66)
Liabilities	(2,264,462)	2,264,462
	(2,264,396)	2,264,396

2014	Currency impact strengthening US$	Currency impact weakening US$
US Dollar		
Assets	12,883	(12,883)
Liabilities	(3,827,210)	3,827,210
	(3,814,327)	3,814,327

The Board carefully monitors the exchange rate fluctuations and monitors its impact on the current asset and liability situation. Exchange rates are negotiated with the bank as and when needed.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to try and ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

The Board manages liquidity risk by regularly reviewing the Company's gearing levels and cash flow projections. The Directors recognise that the Company will need to raise additional finance to develop the investment policy actively (see going concern disclosure in Note 2 of the Consolidated Financial Statements).

The Company maintains good relationships with its bank, which has a high credit rating and its cash requirements are anticipated via the budgetary process. At 30 June 2015, the Company had US$563,539 (2014: US$6,557,325) of cash reserves.

Maturity of financial liabilities

At 30 June 2015	Due within 30 days	Due between 30 days and one year	Due after one year
	US$	US$	US$
Trade and other payables	1,280,128	-	-
Borrowings	-	4,173,014	16,144,450
Convertible loan notes	-	6,587,964	52,871,559
Embedded derivatives	-	-	2,135,371
Total financial liabilities	**1,280,128**	**10,760,978**	**71.151,380**

13. Financial instruments (continued)

At 30 June 2014	Due within 30 days US$	Due between 30 days and one year US$	Due after one year US$
Trade and other payables	1,112,837	-	-
Borrowings	-	13,437,500	33,937,500
Convertible loan notes	-	323,864	49,898,993
Embedded derivatives	-	-	320,833
Total financial liabilities	**1,112,837**	**13,761,364**	**84,157,326**

14. Warrants

See note 26 to the Consolidated Financial Statements

15. Share based payments

See note 24 of the Consolidated Financial Statements

16. Subsequent events

See note 31 of the Consolidated Financial Statements

17. Related party transactions

During the year, the Company entered into the following transactions, in the ordinary course of business on an arm's length basis, with related parties.

Outstanding balances at the year-end are unsecured and interest free, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Except for the AIOG's loans (see Note 15 of the consolidated financial statements), for the year ended 30 June 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2014: US$nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

2015

Entity	Sales	Purchases	Accounts receivable	Accounts payable
Mano River Iron Ore Holdings	-	-	29,329,123	(120,196)
Afferro Mining	-	-	41,809,029	(4,048,661)
Caminex	-	-	1,295,504	(65,136,664)
Afircan Aura Resources UK	-	-	86,696	(1,714,131)
Ridgeway Energy	-	-	-	(1,295,504)
IMIC Plc	-	-	16,163,768	(22,044,858)

2014

Entity	Sales	Purchases	Accounts receivable	Accounts payable
Mano River Iron Ore Holdings	-	-	29,329,123	(121,260)
Afferro Mining	-	-	64,934,490	(4,048,661)
Caminex	-	-	1,295,504	(71,905,164)
Afircan Aura Resources UK	-	-	86,696	(1,714,131)
Ridgeway Energy	-	-	-	(1,620,891)
IMIC Plc	-	-	6,606,686	(22,116,535)

Certain accounting services for the Group were performed by Whale Rock Accounting Limited (now part of Capita plc) during the year. Mr. James Ward was a director of Whale Rock Accounting Limited.

IMIC have a sub-lease agreement for the Company's offices with Gasol plc, of which Mr. Haresh Kanabar was a director.

For disclosures for key management and personnel compensation refer to Note 8 of the Consolidated Financial Statements.

On 3 November 2014, Ethelbert Cooper was appointed a Director of the Company and resigned on 20 May 2016. Mr Cooper holds a controlling 90% interest in AIOG, details of transactions with which during the year have been set out in Notes 13 and 15 to the Consolidated financial statements.

17. Related party transactions(continued)

	2015 US$	2014 US$
Fees paid to Whale Rock Accounting Limited/Capita plc		
- Accounting services	-	211,594
- Director's fee	27,288	225,775
- Fair value of options granted	-	208,771
- Transaction bonus on completion of Afferro acquisition	-	166,870
Total payments		**813,010**
- Outstanding creditors at year end	-	23,138
Sub-lease charges by Gasol plc		
- Office rent and service charge	122,820	144,503
- Telecommunications cost recharges	11,252	3,756
- Staff recharges	68,535	-
Total payments	**69,731**	**148,259**
- Prepayments at year end	40,940	51,559
- Outstanding creditors at year end	-	19,700

IMIC has a relationship agreement with AIOG and under this agreement the following transactions were entered during the year:

7. IMIC advanced additional loans of US$1,613,987 (2014: US$2,380,039) to AIOG for the purpose of developing projects.
8. IMIC has accrued interest receivable of US$10,795,383 (2014: US$6,231,155) relating to the loans made to AIOG.
9. Due to uncertainty over the recoverability of the loans to AIOG of US$25,587,334 (2014: US$20,507,996) a provision has been recorded in the year for the full amount of the receivable and has been charged to the Statement of Comprehensive Income. Should the uncertainty change in future, and should it become likely that a portion or the entire loan to AIOG will become recoverable, the provision for bad debt may be reversed in whole or in part.
10. IMIC entered into a short term loan agreement with AIOG, pursuant to which AIOG will loan IMIC US$5.8 million at an interest rate of 5% per annum, repayable on or before 30 June 2015.
11. AIOG elected to convert US$3m of the above loan into 19,736,842 new ordinary shares of 0.2pence each at the conversion price of 10pence per share. Under the terms of the conversion AIOG will receive one warrant for ordinary shares for every ordinary share received.
12. IMIC has also entered an anti –dilution agreement with AIOG, further details of which can be found in Note 13.