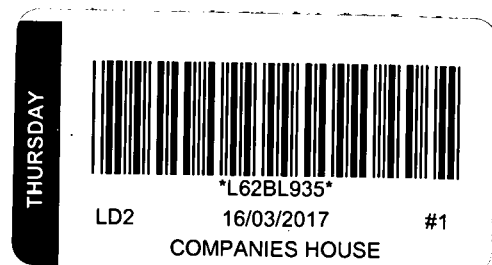


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# **WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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## **ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**



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**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Mr D. A. Carroll  
Mr J. W. Cook  
Mr R. A. Crookes  
Mr J. M. Harrison  
Mr M. A. Kirkbride  
Mr R. C. Round

**REGISTERED NUMBER**

07143398

**REGISTERED OFFICE**

Belgrave House  
39 - 43 Monument Hill  
Weybridge  
Surrey  
KT13 8RN

**INDEPENDENT AUDITORS**

F. W. Smith, Riches & Co.  
Chartered Accountants & Statutory Auditors  
15 Whitehall  
London  
SW1A 2DD

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## WEST CUMBRIA MINING (HOLDINGS) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

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The directors present their report and the financial statements for the year ended 30 June 2016.

#### PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of a holding company. The subsidiary, West Cumbria Mining Limited, is exploring for coking coal deposits on and offshore of Whitehaven, West Cumbria. If successful this could lead to the building of a mine in the area which would provide coking coal for the domestic and overseas markets producing steel.

On 20 January 2016 EMR Capital Investment (No.3B) Pte Ltd. invested a further £8,333,334 in the company by subscribing for 71,968,253 A shares at a price of £0.1158 per share and by subscribing for 65,662,474 A shares at a price of £0.0000000147 per share.

#### DIRECTORS

The directors who served during the year were:

Mr N. K. Adams (resigned 28 January 2016)  
Mr D. A. Carroll  
Mr J. W. Cook  
Mr R. A. Crookes  
Mr J. M. Harrison  
Mr M. A. Kirkbride  
Mr R. C. Round (appointed 20 April 2016)  
Mr C. S. Young (resigned 20 January 2016)

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The group has purchased insurance to cover its directors and officers against potential liabilities arising against them in the performance of their duties.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

#### **AUDITORS**

The auditors, F. W. Smith, Riches & Co., will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Signed on behalf of the directors



**Mr M. A. Kirkbride**  
Director

7 December 2016

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## **WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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We have audited the financial statements of West Cumbria Mining (Holdings) Limited for the year ended 30 June 2016, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 2, the directors are responsible for the preparation of the 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 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 and the parent company'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 financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WEST CUMBRIA MINING  
(HOLDINGS) LIMITED**

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**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 financial statements are prepared is consistent with the 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:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Directors' Report.



Martin J. Rooney (Senior Statutory Auditor)  
for and on behalf of **F. W. Smith, Riches & Co.**  
Chartered Accountants & Statutory Auditors  
London

7 December 2016

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WEST CUMBRIA MINING (HOLDINGS) LIMITED

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CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2016

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	Note	2016 £	2015 £
Administrative expenses		(1,400,512)	(1,091,850)
<b>OPERATING LOSS</b>	2	(1,400,512)	(1,091,850)
Interest receivable and similar income		11,065	3,214
Interest payable and similar charges		(1,838)	(183)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,391,285)	(1,088,819)
Tax on loss on ordinary activities	4	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	13	(1,391,285)	(1,088,819)



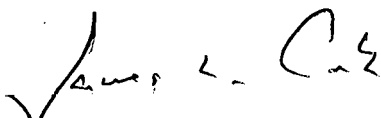
**WEST CUMBRIA MINING (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 07143398**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Intangible assets	5		6,203,764		1,687,413
Tangible assets	6		54,124		62,540
			<u>6,257,888</u>		<u>1,749,953</u>
<b>CURRENT ASSETS</b>					
Debtors	8	172,341		80,720	
Cash at bank and in hand		5,987,575		3,404,252	
		<u>6,159,916</u>		<u>3,484,972</u>	
<b>CREDITORS:</b> amounts falling due within one year	9	(416,945)		(161,870)	
<b>NET CURRENT ASSETS</b>			<u>5,742,971</u>		<u>3,323,102</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,000,859</u>		<u>5,073,055</u>
<b>CREDITORS:</b> amounts falling due after more than one year	10		-		(14,245)
<b>NET ASSETS</b>			<u><u>12,000,859</u></u>		<u><u>5,058,810</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		5		3
Share premium account	13		14,722,219		6,388,887
Profit and loss account	13		(2,721,365)		(1,330,080)
<b>SHAREHOLDERS' FUNDS</b>			<u><u>12,000,859</u></u>		<u><u>5,058,810</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 6 to 19 were approved by the directors on 7 December 2016 and were signed on their behalf by:



**Mr J. W. Cook**  
Director

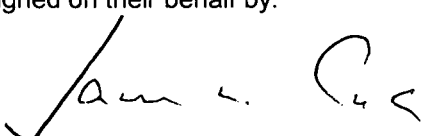
**WEST CUMBRIA MINING (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 07143398**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Investments	7		1		1
<b>CURRENT ASSETS</b>					
Debtors	8	14,597,409		3,175,723	
Cash at bank		93,256		3,181,608	
			<u>14,690,665</u>		<u>6,357,331</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>14,690,666</b></u>		<u><b>6,357,332</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		5		3
Share premium account	13		14,722,219		6,388,887
Profit and loss account	13		(31,558)		(31,558)
<b>SHAREHOLDERS' FUNDS</b>			<u><b>14,690,666</b></u>		<u><b>6,357,332</b></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 6 to 19 were approved by the directors on 7 December 2016 and were signed on their behalf by:

  
**Mr J. W. Cook**  
 Director

**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	£	2016 £	£	2015 £
<b>CASH GENERATED FROM OPERATIONS</b>				
<b>OPERATING LOSS</b>	(1,400,512)		(1,091,850)	
Depreciation of tangible fixed assets	24,164		13,896	
Amortisation of intangible fixed assets	3,106		2,068	
Increase in debtors	(91,621)		(14,344)	
Increase in creditors	244,446		61,028	
		(1,220,417)		(1,029,202)
<b>CASH FROM OTHER SOURCES</b>				
Interest received	11,065		3,214	
Issue of shares	8,333,334		4,166,667	
		8,344,399		4,169,881
<b>APPLICATION OF CASH</b>				
Hire purchase interest	(1,838)		(183)	
Principal payment under hire purchase agreement	(3,616)		(2,272)	
Purchase of intangible fixed assets	(4,519,457)		(1,537,983)	
Purchase of tangible fixed assets	(15,748)		(35,739)	
		(4,540,659)		(1,576,177)
<b>NET INCREASE IN CASH</b>		2,583,323		1,564,502
Cash at bank and in hand less overdrafts at beginning of the year		3,404,252		1,839,750
<b>CASH AT BANK AND IN HAND LESS OVERDRAFTS AT END OF THE YEAR</b>		5,987,575		3,404,252
Consisting of:				
Cash at bank and in hand		5,987,575		3,404,252
		5,987,575		3,404,252

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## WEST CUMBRIA MINING (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

##### 1.2 Going concern

The company and its subsidiary are involved in exploring and developing areas suitable for underground mining. The directors have prepared a cash flow forecast to support a plan of exploratory activities for a period of twelve months from the date of signing these financial statements. This indicates that adequate cash reserves will be available to the group. On this basis the directors have prepared the financial statements on the going concern basis.

##### 1.3 Basis of consolidation

The financial statements consolidate the accounts of West Cumbria Mining (Holdings) Limited and subsidiary undertaking, West Cumbria Mining Limited ('subsidiary'). These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the Profit and Loss Account after or up to the date that control passes respectively.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

##### 1.4 Intangible fixed assets and amortisation

Exploration and evaluation expenditure incurred by or on behalf of the group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an allocated portion of overhead expenditure, to the extent that those costs are directly related to operational activities in the area of interest. Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current, are brought into account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- Exploitation and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Where capitalised expenditure relates specifically to the granting of a licence, this is amortised over the period of the licence.

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## WEST CUMBRIA MINING (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	3 years straight line
Motor vehicles	-	4 years straight line
Fixtures & fittings	-	3 years straight line
Office equipment	-	3 years straight line

##### 1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

##### 1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### 1.9 Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the group's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

##### 1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and Loss Account.

##### 1.11 Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

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**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**2. OPERATING LOSS**

The operating loss is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the group	<b>19,360</b>	13,479
- held under hire purchase agreement	<b>4,804</b>	417
Auditors' remuneration	<b>15,000</b>	10,000
Amortisation of intangible assets	<b>3,106</b>	2,068
Net loss on foreign currency translation	<b>732</b>	2,654
	<u><u>          </u></u>	<u><u>          </u></u>

**3. DIRECTORS' REMUNERATION**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	<b>429,189</b>	394,797
	<u><u>          </u></u>	<u><u>          </u></u>

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WEST CUMBRIA MINING (HOLDINGS) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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4. TAXATION

	2016 £	2015 £
UK corporation tax charge on loss for the year	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(1,391,285)	(1,088,819)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(278,257)	(217,764)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	87,193	55,839
Capital allowances for year in excess of depreciation	1,480	(4,368)
Unrelieved tax losses carried forward	189,584	166,293
<b>Current tax charge for the year (see note above)</b>	-	-

The group has trading losses of £2,158,051 (2015: £1,210,132) available to carry forward against future trading profits.

**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**5. INTANGIBLE FIXED ASSETS**

	License fees and exploration costs £
<b>Group</b>	
<b>Cost</b>	
At 1 July 2015	1,690,720
Additions	4,519,457
At 30 June 2016	<u>6,210,177</u>
<b>Amortisation</b>	
At 1 July 2015	3,307
Charge for the year	3,106
At 30 June 2016	<u>6,413</u>
<b>Net book value</b>	
At 30 June 2016	<u><u>6,203,764</u></u>
At 30 June 2015	<u><u>1,687,413</u></u>

**6. TANGIBLE FIXED ASSETS**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
<b>Group</b>					
<b>Cost</b>					
At 1 July 2015	2,141	27,600	28,719	17,976	76,436
Additions	-	5,833	3,346	6,569	15,748
At 30 June 2016	<u>2,141</u>	<u>33,433</u>	<u>32,065</u>	<u>24,545</u>	<u>92,184</u>
<b>Depreciation</b>					
At 1 July 2015	39	1,994	8,556	3,307	13,896
Charge for the year	714	6,439	9,917	7,094	24,164
At 30 June 2016	<u>753</u>	<u>8,433</u>	<u>18,473</u>	<u>10,401</u>	<u>38,060</u>
<b>Net book value</b>					
At 30 June 2016	<u><u>1,388</u></u>	<u><u>25,000</u></u>	<u><u>13,592</u></u>	<u><u>14,144</u></u>	<u><u>54,124</u></u>
At 30 June 2015	<u><u>2,102</u></u>	<u><u>25,606</u></u>	<u><u>20,163</u></u>	<u><u>14,669</u></u>	<u><u>62,540</u></u>



**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**6. TANGIBLE FIXED ASSETS (continued)**

The net book value of an asset held under a hire purchase agreement, included above, is as follows:

<b>Group</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Motor vehicles	<b>15,196</b>	<b>19,583</b>

**7. FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Investments in subsidiary company £</b>
<b>Cost or valuation</b>	
At 1 July 2015 and 30 June 2016	<b>1</b>
<b>Net book value</b>	
At 30 June 2016	<b>1</b>
At 30 June 2015	<b>1</b>

Details of the principal subsidiary can be found under note number 17.

**8. DEBTORS**

	<b>Group</b>	<b>Company</b>
	<b>2016</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Amounts owed by group undertaking	-	<b>14,597,409</b>
Other debtors	<b>17,487</b>	-
<b>Due within one year</b>		
Other debtors	<b>154,854</b>	-
	<b>172,341</b>	<b>14,597,409</b>
	<b>80,720</b>	<b>3,175,723</b>

**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**9. CREDITORS:**  
**Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net obligations under hire purchase agreements	<b>14,112</b>	3,483	-	-
Trade creditors	<b>316,168</b>	99,360	-	-
Other taxation and social security	<b>28,962</b>	19,781	-	-
Other creditors	<b>57,703</b>	39,246	-	-
	<b>416,945</b>	161,870	-	-

The obligation under a hire purchase agreement is secured over the related asset.

**10. CREDITORS:**  
**Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net obligations under hire purchase agreements	-	14,245	-	-

The obligation under a hire purchase agreement is secured over the related asset

**11. SHARE CAPITAL**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
67,936,222 Ordinary shares of £0.0000000147 each	<b>1</b>	1
267,173,577(2015: 129,542,850) A shares of £0.0000000147 each	<b>4</b>	2
	<b>5</b>	3

Both the Ordinary Shares and the A Shares rank pari passu with each other in all respects.

On 20 January 2016 EMR Capital Investment (No.3B) Pte Ltd. invested a further £8,333,334 in the company by subscribing for 71,968,253 A shares at a price of £0.1158 per share and 65,662,447 A shares at a price of £0.0000000147 per share.

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**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. EQUITY SETTLED SHARE BASED PAYMENTS**

The company has issued equity based share based payment instruments to subscribe for ordinary shares as follows:

**a) Issued to directors and employees**

Date of issue	Exercise price (pence)	Number of options	Performance conditions	Expiry date
24 July 2015	8.27	2,000,000	Vested immediately on grant	28 November 2018
24 July 2015	8.27	9,000,000	Significant liquidity event	28 November 2018
24 July 2015	8.27	500,000	Vested immediately on grant	17 July 2019
24 July 2015	8.27	3,500,000	Significant liquidity event	17 July 2019
		<b>15,000,000</b>	Total exercisable at year end:	<b>2,500,000</b>

**b) Issued to former directors and employees**

Date of issue	Exercise price (pence)	Number of options	Performance conditions	Expiry date
24 July 2015	6.62	708,333	Vested immediately on grant	1 January 2017
24 July 2015	8.27	3,000,000	Significant liquidity event	28 November 2018
24 July 2015	8.27	1,708,333	Vested immediately on grant	28 November 2018
		<b>5,416,666</b>	Total exercisable at year end:	<b>2,416,666</b>

**c) Issued to others**

Date of issue	Exercise price (pence)	Number of options	Performance conditions	Expiry date
3 June 2014	3.86	6,605,833	Vested immediately on grant	3 June 2019
5 May 2015	5.79	3,787,803	Vested immediately on grant	5 May 2020
24 July 2015	4.14	2,000,000	Vested on 20th January 2016	1 January 2017
24 July 2015	6.62	833,334	Vested immediately on grant	1 January 2017
24 July 2015	6.62	291,667	Vested immediately on grant	1 March 2017
24 July 2015	8.27	2,000,000	Significant liquidity event	28 November 2018
24 July 2015	8.27	100,000	Vested immediately on grant	14 February 2019
24 July 2015	3.86	1,139,035	Vested immediately on grant	24 July 2020
20 January 2016	11.58	3,787,803	Vested immediately on grant	20 January 2021
		<b>20,545,475</b>	Total exercisable at year end:	<b>18,545,475</b>

Instruments which have a vesting condition relating to the occurrence of a significant liquidity event will vest upon an asset sale, public listing or sale of the company.

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**WEST CUMBRIA MINING (HOLDINGS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**13. RESERVES**

<b>Group</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 1 July 2015	6,388,887	(1,330,080)
Loss for the financial year		(1,391,285)
Premium on shares issued during the year	8,333,332	
	<u>14,722,219</u>	<u>(2,721,365)</u>
At 30 June 2016	<u>14,722,219</u>	<u>(2,721,365)</u>

<b>Company</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 1 July 2015	6,388,887	(31,558)
Premium on shares issued during the year	8,333,332	
	<u>14,722,219</u>	<u>(31,558)</u>
At 30 June 2016	<u>14,722,219</u>	<u>(31,558)</u>

**14. OPERATING LEASE COMMITMENTS**

At 30 June 2016 the group had annual commitments under non-cancellable operating leases as follows:

<b>Group</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Expiry date:</b>		
Within 1 year	13,333	7,848
Between 2 and 5 years	45,515	29,145
	<u>13,333</u>	<u>7,848</u>
	<u>45,515</u>	<u>29,145</u>

**15. RELATED PARTY TRANSACTIONS**

During the year, the subsidiary company paid rent totalling £3,120 (2015: £nil) for the use of property owned by Mr. M. A. Kirkbride, a director of that company, on an arms length basis.

The company has taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (effective January 2015) and has not disclosed details of related party transactions with entities that form part of the West Cumbria Mining (Holdings) Limited group.

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## WEST CUMBRIA MINING (HOLDINGS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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#### 16. CONTROLLING PARTY

EMR Capital Investment (No. 3B) Pte Ltd., an entity resident in Singapore, by virtue of its 80% share holding (2015: 66%), on an undiluted basis, is the company's intermediate holding company. The ultimate parent entity of EMR Capital Investment (No. 3B) Pte Ltd. is EMR Capital Resources Fund 1, LP. EMR Capital Resources Fund 1, LP is resident in The Cayman Islands.

There was no one individual with ultimate control during either 2015 or 2016.

#### 17. PRINCIPAL SUBSIDIARY

Company name	Country	Percentage Shareholding	Principal activity
West Cumbria Mining Limited	England and Wales	100	Mine project development