15 March 2018

African Battery Metals plc ("ABM" or "the Company")

Audited Results for the Year Ended 30 September 2017

African Battery Metals plc, the AIM quoted African focused exploration company, is pleased to announce its consolidated audited results for the year ended 30 September 2017 for the Company and its subsidiary, Blue Horizon (SL) Ltd, (together the "Group").

Highlights from the year under review:

Operational

- New Board appointments with Roger Murphy and Iain Macpherson joining as Chief Executive Officer and Non-Executive Director, respectively;
- Renewal of the Company's 153km^2 Ferensola exploration licence from Sierra Leone Government for a period of three years with right to extend for a further two years ("SL Licence");
- Completed second drill programme of 3,783m on the gold project at Ferensola (the "Ferensola Gold Project") with some high grade intersections generated at Sanama Hill and a new discovery zone in the Southern Target;
- Completed a third drill programme of 5,185m on the Ferensola Gold Project with further high grade gold intersections generated at both Sanama Hill and the Southern Target;
- Structural geological interpretation of the Ferensola Gold Project carried out by Tect Geological Consulting which identified 19 targets, including Sanama Hill and Southern Target; and
- Conducted soil sampling programme on eight of the 19 targets, returning anomalous levels of gold in most targets, providing additional evidence that Ferensola hosts further gold sources.

Financial

- Loss for the year to 30 September 2017 of £3.9 million (2016: £1.8 million);
- Total equity of £5.4 million at year end (2016: £5.6 million); and
- Raised, gross of issue costs, £3.9 million in new equity financing, including £0.4 million via an equity swap facility, from a combination of new and existing shareholders, including the Directors, the net proceeds of which were used exclusively to further the exploration activities and drill programmes on the Ferensola Gold Project.

Post-year end:

- Raised £1.75 million in new equity to acquire cobalt assets, progress the Ferensola Gold Project and repay equity swap facilities;
- Adopted a lower-cost and slimmed down Board of Directors following the resignations of Howard Baker (Non-executive Technical Director) and Nick Warrell (Chief Operating Officer);

- Company's exploration activities strengthened through the exercise of an option over 70% of an exploration licence prospective for cobalt-copper ("Kisinka") in the Democratic Republic of the Congo ("DRC") and securing an option over a second cobalt-copper licence in the DRC;

- Incorporation of ABM Kobald SAS, the Company's 70% owned subsidiary in the DRC, which holds the Kisinka licence, and through which the Company commenced cobalt exploration activities in January 2018; and

- Company's name changed to African Battery Metals plc to reflect its immediate focus of exploration activities on battery metals, with a farm out or JV of Ferensola being pursued.

Roger Murphy, CEO of ABM said:

"2017 was a year of significant change for ABM, culminating in the recent change in its name to African Battery Metals Plc. In 2018, we expect to significantly advance our exploration activities in battery metals, especially cobalt. Cobalt is integral to the make up of the batteries and the strong global drive to move away from internal combustion engines and to replace these with electric vehicles powered by batteries is underway and will not be derailed.

Whilst our own exploration activities will be largely focussed on battery metals, we remain committed to our assets in Sierra Leone, in particular the significant gold potential and the proven iron reserve within the Ferensola licence. We are optimistic about the Group's future."

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Chief Executive Officer's Statement

As at 30 September 2017, African Battery Metals plc (the "Company") had one wholly owned subsidiary in Sierra Leone, which holds the SL Licence, Blue Horizon (SL) Ltd ("Blue Horizon"). As at the date of this report, the Company had two subsidiaries, Blue Horizon and ABM Kobald SAS, the 70% owned subsidiary in the DRC which holds the Kisinka licence ("ABM Kobald"), (together "ABM" or the "Group").

Introduction

It gives me pleasure to write my second annual review as the CEO of African Battery Metals, the Company's newly adopted name. As the highlights above illustrate, FY2017 and the post year-end period, was again a period of very significant change for the Group, and a challenging period for everyone associated with the Group. I am confident that we have met the challenges and emerged a stronger Group as a result. I am optimistic about the future of our Company.

As stated in last year's report, our activities at the start of the year were focussed on the Group's most prospective commodity, gold, found in our Ferensola Gold Project ("FGP") in Sierra Leone. To that end, we completed 8,968m of diamond drilling split into two drill campaigns between early March 2017 and late July 2017, before the onset of the heavy rains, when drilling can be efficiently and safely conducted. We followed this up with an extensive period of review, analysis and planning during the rainy season when field work is difficult and potentially unsafe.

Pleasingly, as detailed in the section on gold below, we intersected some very high grade gold on Sanama Hill and also hit gold in another new area, known as the Southern Target (TZ4). The Eastern Target, in which we drilled six holes along a 4km long Induced Polarisation ("IP") anomaly, failed to return significant gold grades, although drilling did confirm the presence of the large anomaly that remains a target for future programmes. Surface sampling on the Eastern Target returned gold grades, but pinpointing the gold bearing zones within the anomaly remained elusive.

We noted in last year's report that the gold mineralisation within the FGP was not controlled by one single, steeply-dipping, sub planar zone, but rather by multiple, potentially stacked shears. The drilling during the year under review confirmed that the controls on mineralisation are structurally complex, indeed more complex than we had previously anticipated. This point is further developed in the gold section below.

The story of the year can also be seen in our share price. The first half of FY2017 witnessed some strong price appreciation on the back of the restructured management team and encouraging early drill results, but as we announced further results later in the year, which revealed the complexities of the gold mineralisation on FGP, our share price appreciation reversed and with that the ability to fund the Company became more challenging. This situation intensified through the second half of the year.

The structural complexity of the geology on FGP, coupled with increasingly challenging capital markets, led to the Board's decision to diversify the Group through the injection of additional assets. This resulted, post year end, in the acquisition of a 70% interest in a cobalt opportunity in the DRC and securing an option to acquire a second licence in order to broaden the focus of the Group into battery metals. We are grateful to our technical advisers, Madini Minerals, for introducing us to this opportunity and for their experience of operating in the DRC.

We also saw significant changes in your Board post-year end, with both Howard Baker, Non-executive Technical Director, and Nick Warrell, COO, leaving the Company. We thank them both for all their considerable efforts and wish them well for the future.

<u>Operations Review</u>

Projects

Ferensola Gold Project

The bulk of our exploration activities during the year under review were focussed on the FGP and consisted of two diamond drill programmes totalling 8,968m. These were completed at the end of July 2017 during the dry season ensuring efficient and safe drilling before a planned period of review and analysis during West Africa's rainy season which makes field work very difficult and inefficient. The drilling we completed was all oriented core diamond drilling. It is acknowledged that there is an intimate control between gold mineralisation and geological structure (folding, faulting and shearing) in Greenstone rocks like those found at Ferensola. Consequently, in order to predict mineralisation, it is essential to understand structure and oriented core and detailed structural logging helps to provide that understanding.

Most pleasingly, the 9km of drilling delivered some extremely positive assay results, with the best drill result from borehole FDD0014 on Sanama Hill intersecting 15.9g/t over 3.1m true width within a wider mineralised envelope of 3.65g/t over 21m true width. We also made several other high grade gold intersections, albeit of lower thickness at Sanama Hill. Targeting gold within Greenstone mineralisation is complex, requiring high drilling intensity. It is testament to the skill of our technical teams, both in Sierra Leone and elsewhere, that our success rate runs at well in excess of 50%.

Also on the positive side, we drilled into a new target area within the FGP, TZ4 (the Southern Target), with our first hole encountering 5.2g/t over 1.22m true width. A subsequent hole hit very high grade gold at 19.3g/t over 1.2m true width which confirmed our expectations and established that Ferensola hosts a complex gold bearing structure with multiple targets over a large area.

Unfortunately, however, the six holes drilled on another target within the FGP, the large IP anomaly TZ2, known as the Eastern Target, did not encounter significant gold mineralisation in spite of the fact that surface sampling confirmed the presence of gold. This was particularly frustrating as we had expected that the IP would provide a reliable means of rapidly increasing the gold inventory for future gold exploration throughout the FGP. Drilling on the Eastern Target did confirm the presence of the anomaly identified by geophysical means, but honing in on the contained gold rich zones remains challenging.

Another disappointment was that step out drilling on Sanama Hill has so far failed to pinpoint the continuation of the high grade gold intersected at FDD0014 referenced above. This led us to conclude that the controls on mineralisation are more structurally complex than we had first hoped.

Nevertheless, as noted in previous commentary, there is abundant evidence of gold mineralisation across the FGP as confirmed by our relatively limited drilling to date, supported by surface sampling and the active presence of local artisanal miners panning for gold in most of the rivers that cross the licence.

The structural geology interpretation we commissioned from Tect Geological Consulting ("TGC") towards the end of the year under review corroborates this. TGC's report identified 19 gold targets, including Sanama Hill and Southern Target. Interestingly, the Eastern Target, which the IP had identified as a gold target, did not feature in the TGC report. We subsequently conducted a soil sampling programme on eight of the commissioned structural geology interpretation from TGC's report which returned anomalous levels of gold in most targets, providing encouragement that FGP hosts further gold sources.

Although we have identified some very high grade bore hole intersections and discovered a new gold bearing area in TZ4, we have so far been unable to establish detailed continuity between the intersections. Accordingly, we have concluded that the structural controls are more complex than we initially understood. This appreciation of the structural complexity and the need for more detailed work has led us to conclude that the best way to add further value to the FGP is through a farm out or joint venture with a partner who has, not only the requisite geological skills to supplement our own capability, but also has access to capital to undertake the necessary intensive drilling programmes clearly required to build gold inventory.

Whilst we pursue this JV or farm out deal, we intend to maintain a work programme on the SL Licence to increase our understanding. As I write this report, we are initiating a new programme of soil sampling and mapping, in conjunction with deeper investigation of artisanal activities, to focus on the regional picture, with the objective of further developing our understanding of the gold controls to enable us to generate further gold targets and enhance future exploration.

Iron

Whilst no work was conducted on our iron ore resource during the financial year under review, we remain very aware of the potential value of our JORC compliant Mineral Resource Estimate ("MRE") of total oxide resource of 55.5Mt @ 45.39% with a total resource of 514.5Mt @ 31.8% that we declared on the SL Licence. We also note that iron ore prices have strengthened over the financial year – rising from around $55/tonne at the beginning of the period to upwards of $75/tonne as at the date of this report. Iron ore is a bulk commodity and our location would necessitate access to rail to reach port. Shandong

Iron & Steel Group, the Chinese mining group, are mining Tonkolili which is contiguous with our iron ore resource. Furthermore Tonkolili is well served by infrastructure as the railway goes from Tonkolili to the port. Should the iron ore price continue to rise, the Board will consider commencing discussions with potential joint venture partners to unlock this potential value for the benefit of all the Company's shareholders.

Cobalt

As outlined in the report above, the Board recognised the challenges presented by the Company's historical exclusive focus on the FGP and resolved to target alternative commodities in other jurisdictions leveraging the Company's capability and experience.

We were delighted to announce in December 2017 that the Company had acquired 70% of the Kisinka licence in the Katanga Province of the Democratic Republic of the Congo (DRC) for the payment of $50,000 with a second tranche of $50,000 to be paid in May 2018. ABM has also acquired the option to acquire 70% of a second licence in the DRC, Sakania, on the same payment terms. We originally had until the end of January 2018 to exercise the Sakania option and pay the first tranche, but this deadline has since been extended to 30 April 2018.

Kisinka is a 55km^2 licence on the Roan, the type of rocks which host most of the DRC's copper and cobalt mineralisation. It is within 30km of the large regional city, Lubumbashi, and has at least seven large producing copper-cobalt mines within 25km as well as a larger number of smaller artisanal mines close by.

Sakania is a 150km^2 licence in south east of the DRC, an area that is seeing a lot of new artisanal mining activity for cobalt and copper. We initiated an exploration programme on Kisinka in late January 2018.

Coltan
No work was performed on coltan in the year under review.

<u>Corporate Social Responsibility ("CSR")</u>
The Company maintains a prominent CSR programme in the region and we continued to provide funding and resources for projects in Sierra Leone, in particular in the Diang, Samia Bendugu and Nieni Chiefdoms.

<u>Financial Review</u>
The Group recorded an audited loss before tax for the year to 30 September 2017 of £3.9 million (2016: £1.8 million). The loss per share was 0.13p (2016: 0.24p).

The Group's exploration activities during the financial year under review were funded through the issue of shares to either raise cash or in lieu of fees. In aggregate, 2,216,087,141 new ordinary shares were issued during the financial year, raising a total of approximately £4.3 million of cash or cash equivalent before placement costs (2016: £1.0 million).

As announced on 21 August 2017, requiring funds to complete the drill programme on the FGP, the Company entered into an equity swap agreement with Riverfort Global Capital Limited, which was subsequently repaid and terminated as part of the £1.75 million equity fund raise as announced in December 2017.

We ended the financial year with a cash balance of £0.1 million (2016: £0.2 million), which was enhanced post year end by a further equity issue of approximately £1.75 million (before costs) in December 2017, through a combination of direct subscriptions and institutional placements.

Targets for 2018

Our operational targets for 2018 are:

- To complete the first round of exploration on Kisinka, our first DRC cobalt-copper operation. This is expected to include geophysics, soil sampling, trenching, pitting and drilling. The first phase of exploration is expected to be completed by mid-2018 and, dependent on results therefrom, could be followed by a second round of exploration which may include additional drilling;

- Dependent on the results of our due diligence, to exercise the option to acquire the second cobalt-copper exploration licence area in the DRC, Sakania. If we determine to acquire, Sakania, exploration activities are expected to start towards the end of Q2 2018 and will involve a similar programme of work to that of Kisinka;

- To enhance the value of our SL Licence either through a joint venture or farm-out; and

- To continue to gather information on other battery metals assets in Africa, including considering additional cobalt licences in the DRC. We would consider lithium licences, where Zimbabwe has a number of interesting projects including some producing mines. It could also include vanadium, which is more widely used in stationary batteries. Both Zimbabwe and South Africa have vanadium assets and mines.

Board Changes

At the beginning of the year under review Iain Macpherson and I joined the Board as Non-Executive Director and CEO, respectively.

I am a geologist by background with field exploration experience in gold in Africa. However, I have spent most of my career in the equity markets in London, focused on raising capital for resources companies in particular. I was previously Head of Sales for Canaccord Adams and a Member of its

London Executive Committee and most recently I was Managing Director, Investment Banking and Head of London, for Dundee Securities Europe Ltd.

Mr Macpherson, a highly experienced mining engineer, has run and built mines across Africa, including gold mines in West Africa in a career spanning over 30 years. Iain was previously CEO of ASX-listed Elemental Minerals, which was exploring and developing a potash project in The Republic of Cameroon. Iain is a founding shareholder of Madini Minerals, ABM's strategic partner and largest shareholder, through its subsidiary, Madini Occidental.

Post year end, the Board was slimmed down with the resignations of Howard Baker and Nick Warrell.

Outlook

2017 was a year of significant change for ABM, culminating in the recent change in direction of the Group and its name change to African Battery Metals Plc.

In 2018, we expect to significantly advance our exploration activities in battery metals, especially cobalt. The strong global drive to move away from internal combustion engines and to replace these with electric vehicles powered by batteries is underway and will not be derailed. Cobalt is integral to the make up of the batteries used in electric vehicles and, although there may be attempts to substitute away from cobalt towards more widely available and lower cost metals, in our view this trend will occur slowly and will be more than offset by the growth in demand for batteries.

Whilst our own exploration activities will be largely focussed on battery metals, we remain committed to our assets in Sierra Leone, in particular the significant gold potential and the proven iron reserve within the Ferensola licence. We are currently carrying out a sampling programme on the licence and remain in discussions with a number of interested parties concerning a possible JV or farm out of the licence and we will keep shareholders updated on developments as they progress. The board remains optimistic for the future of the Group.

Finally, I would like to take this opportunity to express my gratitude to my fellow directors, management and professional advisers, past and present, for their dedication. I would also like to thank our shareholders for their loyal support. I look forward to providing future updates on the Group's development in due course.

R Murphy
Chief Executive Officer
14 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017	2016
		£'000	**£'000**
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Operating expenses	**4**	(3,312)	(1,778)
Loss from operating activities		(3,312)	(1,778)
Finance costs		(633)	-
Loss before tax		(3,945)	(1,778)
Taxation		-	-
Loss for the year		(3,945)	(1,778)
Other comprehensive income			
Items that will or may be reclassified to profit or loss;			
Exchange translation		(41)	400
Total comprehensive expense for the year		(3,986)	(1,378)
Basic and diluted loss per share (pence)	**9**	(0.18)	(0.24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017	Notes	2017 £'000	2016 £'000
Assets			
Property, plant and equipment	**5**	141	179
Intangible assets	**6**	5,661	5,716
Non-current assets		5,802	5,895
Trade and other receivables	**7**	111	60
Cash and cash equivalents		180	101
Current assets		291	161
Total assets		6,093	6,056
Equity			
Share capital	**8**	6,330	4,114
Share premium		9,049	7,422
Shares to be issued		-	152
Warrant reserve		365	197
Share based payment reserve		648	648
Exchange reserve		531	572
Retained deficit		(11,497)	(7,552)
Total equity		5,426	5,553
Liabilities			
Trade and other payables	**10**	519	472
Short term borrowings		15	31
Derivative financial liability		133	-
Current liabilities		667	503
Total liabilities		667	503
Total equity and liabilities		6,093	6,056

The financial statements of African Battery Metals plc, company number 07800337, were approved by the board of Directors and authorised for issue on 14 March 2018.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Warrant Reserve £'000	Share based payment reserve £'000	Exchange reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 1 October 2015	3,635	7,178	-	-	565	172	(5,774)	5,776
Loss for the year	-	-	-	-	-	-	(1,778)	(1,778)
Total other comprehensive income	-	-	-	-	-	400	-	400
Total comprehensive income / (expense) for the year	-	-	-	-	-	400	(1,778)	(1,378)
Issue of ordinary shares	479	324	152	197	-	-	-	1,152
Costs of share issues	-	(80)	-	-	-	-	-	(80)
Share-based payments	-	-	-	-	83	-	-	83
	479	244	152	197	83	-	-	1,155
Balance at 30 September 2016	4,114	7,422	152	197	648	572	(7,552)	5,553

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital	Share premium	Shares to be issued	Warrant Reserve	Share based payment reserve	Exchange reserve	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2016	4,114	7,422	152	197	648	572	(7,552)	5,553
Loss for the year	-	-	-	-	-	-	(3,945)	(3,945)
Total other comprehensive expense	-	-	-	-	-	(41)	-	(41)
Total comprehensive expense for the year	-	-	-	-	-	(41)	(3,945)	(3,986)
Issue of ordinary shares	2,064	1,882	-	168	-	-	-	4,114
Issue of shares held for issue	152	-	(152)	-	-	-	-	-
Costs of share issues	-	(255)	-	-	-	-	-	(255)
	2,216	1,627	(152)	168	-	-	-	3,859
Balance at 30 September 2017	6,330	9,049	-	365	648	531	(11,497)	5,426

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 30 SEPTEMBER 2017	2017 £'000	2016 £'000
Cash flows used in operating activities		
Loss for the period	(3,945)	(1,778)
Adjustments for:		
- Depreciation	90	132
- Impairment of fixed assets	15	-
- Expenses settled in shares	175	-
- Loss on disposal of fixed assets	-	10
- Equity settled share-based payments	-	83
- Foreign exchange differences	4	87
- Loss on derivative	633	-
	(3,028)	(1,466)
Changes in:		
- Trade and other receivables	(55)	12
- Trade and other payables	55	229
Net cash from operating activities	(3,028)	(1,225)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(70)	(29)
Net cash flows from investing activities	(70)	(29)
Cash flows from financing activities		
Proceeds from issue of share capital	3,939	1,000
Proceeds from issue of shares to be admitted	-	152
Issue costs	(255)	(80)
Funds from short term loans	-	31
Funds applied to short term loans	(16)	-
Loan under equity agreement	(500)	-
Net cash flows from financing activities	3,168	1,103
Increase/(decrease) in cash and cash equivalents	70	(151)
Cash and cash equivalents at beginning of period	101	250
Exchange gains on cash and cash equivalents	9	2
Cash and cash equivalents at 30 September*	180	101

*Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. Reporting entity

African Battery Metals Plc is a public company limited by shares which is incorporated and domiciled in England and Wales. The address of the Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT. The consolidated financial statements of the Company as at and for the year ended 30 September 2017 include the Company and its subsidiary. The Group is primarily involved in the exploration and exploitation of mineral resources in Sierra Leone.

2. Going concern

After making enquiries and preparing forecasts for 12 months from the date the financial statements were signed, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Group and the Company have adequate resources to continue in existence for the foreseeable future, however for the Company to continue with its exploratory activities, the Directors' believe that it would need to obtain further funding either from a strategic partner or subsequent equity raisings in the next financial year, which the Company has succeded in obtaining over recent years. For this reason, the Directors have adopted the going concern basis in preparing the financial statements. In forming this judgement, the Directors have taken account of funds raised through to February 2018 and believe these funds are adequate for, inter alia, the Group's ongoing administration costs and current exploration programme.

3. Intangible assets Prospecting and exploration rights

Rights acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and development expenditure are recognised at cost.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs will only be capitalised when the Directors have reasonable beliefs that a JORC compliant resource estimate will be obtained. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure will be measured at cost less accumulated amortisation and impairment losses.

4. Operating expenses

	2017	2016
Operating expenses include:	£'000	£'000
Staff costs	874	818
Depreciation	90	132
Impairment of fixed assets	15	-
Foreign exchange (loss)	(10)	(21)
Auditor's remuneration – audit services	25	20

Auditor's remuneration in respect of the Company amounted to £20,000 (2016: £20,000).

5. Property, plant and equipment

Group

	Land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
Balance at 1 October 2015	82	515	36	633
Additions	-	27	2	29
Disposals	-	(24)	-	(24)
Effect of movements in exchange rate	15	93	7	115
Balance at 30 September 2016	97	611	45	753
Balance at 1 October 2016	97	611	45	753
Additions	69	2	-	71
Effect of movements in exchange rate	(7)	(18)	(1)	(26)
Balance at 30 September 2017	159	595	44	798
Depreciation				
Balance at 1 October 2015	58	297	23	378
Depreciation	12	105	15	132
Disposals	-	(14)	-	(14)
Effect of movements in exchange rate	11	62	5	78
Balance at 30 September 2016	81	450	43	574
Balance at 1 October 2016	81	450	43	574
Depreciation	19	71	-	90
Impairment	-	15	-	15
Effect of movements in exchange rate	(3)	(18)	(1)	(22)
Balance at 30 September 2017	97	518	42	657
Carrying amounts				
At 30 September 2017	62	77	2	141
At 30 September 2016	16	161	2	179

6. Intangible assets

Group

	Prospecting and exploration rights £'000
Cost at 1 October 2015	5,428
Effect of movements in exchange rate	288
Balance at 30 September 2016	5,716
Cost at 1 October 2016	5,716
Effect of movements in exchange rate	(55)
Balance as at 30 September 2017	5,661
Carrying amounts	
Balance at 30 September 2017	5,661
Balance at 30 September 2016	5,716

The opening balance of intangible assets was initially recognised on the acquisition of the subsidiary, Blue Horizon (SL) Ltd.

The Directors regularly assess the carrying value of the Group's assets, including its prospecting and exploitation rights, and write off any exploration expenditure that they believe to be unrecoverable.

At the year end, the Group held one exploration licence, the 153km^2 licence in Sierra Leone, known as Ferensola, which is prospective for gold and iron. The licence was renewed by the Group during the year under review for a period of 3 years, with the right to extend for a further 2 years. It is the Group's policy to capitalise any exploration expenditure which, in the opinion of the Directors, will lead directly to a JORC compliant MRE being declared. To that end, the Group has capitalised the exploration costs relating to its iron exploration activities on which a JORC MRE was declared in 2014 which accounts for all of the Group's total carrying value of £5.6 million at the year end. The estimated value of the iron assets obtained in the JORC MRE significantly exceeded the carrying value of the asset and, as a result, no impairment was made.

At present, no exploration activities relating to the Group's gold exploration activities on the Ferensola Gold Project ("FGP") have been capitalised. All of the Group's exploration activities carried out during the year, which amounted to approximately £1.3 million were expensed during the year due, in the Directors' opinion, to the need for further drilling activities in order to declare a JORC MRE on the FGP in addition to the 9,000m of drilling carried out by the Group to date. Whilst the Directors continue to believe that the exploration activities undertaken by the Group to date on the FGP will deliver a significant financial return to the Company's shareholders, with the Group's current finite financial resources, the Directors believe that the best way to deliver value from the FGP is to enter a JV or farm-out arrangement with a third party such that ABM will be able to take a carry in any success delivered by further exploration activities on the FGP. At present, there are a number of interested parties carrying out due diligence on the FGP, but it is too early to say at this point whether any JV or farm-out arrangement will be finalised. Should the Group be unsuccessful in securing a JV or farm-out partner for Ferensola, the Directors will consider, at that time, the need for any impairment on its carrying value of its intangible assets.

Intangible assets are not pledged as security or held under any restriction of title.

7. Trade and other receivables

	2017	2016
	£'000	£'000
Other receivables	13	14
Prepayments	98	46
	111	60

8. Share capital

	Number of ordinary shares	
	2017	2016
Ordinary shares in issue at 1 October	902,681,924	423,515,260
Issued for cash	2,216,087,141	479,166,664
In issue at 30 September – fully paid (par value 0.1p)	3,118,769,065	902,681,924

	Number of deferred shares	
Deferred shares	-	-
Issued on subdivision	356,848,594	356,848,594
	356,848,594	356,848,594

	Ordinary share capital 2017 £'000	2016 £'000
Balance at beginning of year	4,114	3,635
Share issues	2,216	479
Balance at 30 September	6,330	4,114

All ordinary shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

The deferred shares do not entitle the holders thereof to receive notice of or attend and vote at any general meeting of the Company or to receive dividends or other distributions or to participate in any return on capital on a winding up unless the assets of the Company are in excess of £1,000,000,000,000. The Company retains the right to purchase the deferred shares from any shareholder for a consideration of one penny in aggregate for all that shareholder's deferred shares. As such, the deferred shares effectively have no value. Share certificates will not be issued in respect of the deferred shares.

Issue of ordinary shares

On 13 October 2016, the Company announced that it would be raising £300,000 (before expenses), through a placing of 304,642,410 new Ordinary shares of 0.1p each in the Company at a price of 0.1p per share. Additionally, in lieu of the commission payable in cash in relation to the Subscription, 15,232,120 fully paid new Ordinary shares were issued to Madini Minerals or its nominated subsidiary.

On 24 November 2016, the Company raised £1,170,000 (before expenses), through a placing and direct subscriptions for, in aggregate, of 558,733,765 new Ordinary Shares at a price of 0.21p per share. This includes 22,935,932 Ordinary shares issues to Madini Minerals in lieu of placing fees.

On 13 December 2016, the Company issued 65,468,750 new Ordinary shares of 0.1p each at a price of 0.16p per share further to the exercise of certain warrants. The gross proceeds of the exercise amounted, in aggregate, to £104,750.

On 21 December 2016, the Company raised £300,000 (before expenses), through an open offer and rump placing of, in aggregate, 108,657,749 Ordinary shares at an Issue price of 0.21p per share. Further to this, certain members of the group's directors and advisers were paid, in aggregate, 8,809,524 new Ordinary shares in lieu of certain accrued salaries and fees owed.

On 24 February 2017, the Company issued 9,375,000 new Ordinary shares of 0.1p each at a price of 0.16p per share further to the exercise of certain warrants. The gross proceeds of the exercise amounted, in aggregate, to £15,000.

On 17 March 2017, the Company raised £500,000 (before expenses), through a subscription of 128,594,765 new Ordinary Shares at an issue price of 0.40p per share.

On 26 May 2017, the Company completed payment to Equity Drilling Ltd ("Equity") by issuing 52,425,474 new Ordinary shares to Equity based upon a price of 0.43p per share.

On 19 June 2017, the Company raised £400,000 (before expenses), through a subscription of 160,000,000 new Ordinary shares at an issue price of 0.25p per share.

On 7 July 2017, the Company issued 7,920,000 new ordinary shares or 0.1p each in settlement of fees incurred from a number of its advisers. The ordinary shares were issued at a price of 0.25 per share.

On 8 August 2017, the Company completed payment to Equity Drilling Ltd ("Equity") by issuing 67,290,037 new Ordinary shares to Equity based upon a price of 0.225p per share.

On 22 August 2017, the Company raised £900,000 (before expenses), through a subscription of 606,438,356 ordinary shares of 0.1p each at a price of 0.146p per share, to investors secured by Riverfort Global Capital Ltd.

9. Loss per share

Basic and diluted loss per share
The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of £3,945,000 (2016: £1,778,000), and a weighted average number of ordinary shares in issue of 2,136,646,311 (2016: 753,917,125).

As detailed in note 26, the Company issued a number of shares subsequent to the year end which would have significantly increased the number of ordinary shares in issue if these transactions had occurred prior to the end of the year. The issues would have had an anti-dilutive effect. All existing warrants and options are also anti-dilutive.

No Directors exercised options or warrants in the year ended 30 September 2017 (2016: Nil).

10. Trade and other payables

Group

	2017	**2016**
	£'000	**£'000**
Trade payables	226	221
Other payables	144	60
Accrued expenses	149	191
	519	472

11. Derivative financial liability

In August 2017, the Company raised £900,000 (before expenses) through the issue of 616,438,356 Ordinary Shares at a price of 0.146p per share to investors ("Investors") designated by RiverFort Global Capital Ltd ('Riverfort'). The Company simultaneously entered into an Equity Sharing Agreement ('ESA') with the Investors, in which £500,000 of the subscription proceeds were loaned to the Investors. The ESA entitled the Company to receive back the payment of £500,000 on a pro-rata monthly basis until September 2018, subject to adjustment upwards or downwards each month depending on the Company's share price at the time as against a benchmark price of 0.161 pence per Ordinary Share ("Benchmark Price").

The ESA provided for a monthly payment to be made by the Investors to the Company, being £41,666 (the "Monthly Payment"). This payment may be adjusted up or down depending on whether the "Market Price", (calculated as the average of the lowest ten daily volume weighted average prices of the Ordinary Shares during the relevant month), is above or below the Benchmark Price. If the Market Price is above the Benchmark Price, then the Monthly Payment is increased based on the following formula:

Settlement Formula
£41,666 - (51,369,863 Ordinary Shares x 0.75 x (Market Price – Benchmark Price).

If the Market Price is below the Benchmark Price then the Monthly Payment is reduced based on the following formula:

£41,666 - (51,369,863 Ordinary Shares x (Benchmark Price – Market Price)

Assuming the Market Price equals the Benchmark Price on the date of each and every settlement, the Company would have received aggregate repayments of £500,000 from the ESA.

As at the end of the financial year under review, due to the Market Price having been significantly below the Benchmark Price, the Company had received an aggregate of only £9,168 pursuant the ESA. The fair value of the derivative financial liability entered into in 2017 has been determined by reference to the Company's then prevailing share price and has been estimated as follows

	2017 £'000	2016 £'000
Derivative financial asset / (liability)		
Fair Value at inception	500	-
Loss on revaluation of derivative financial asset recognised in the year	(633)	-
Total derivative financial liability	(133)	-

On 8 December 2017, it was mutually agreed by the Company and the Investors that the ESA be settled by a payment of £141,463. This payment represented the fair value of the derivative at the time of settlement.

12. Subsequent events

In October 2017, the Company announced that Howard Baker, Non-Executive Technical Director resigned.

In October 2017, the Company issued 152,977,298 new ordinary shares to Equity Drilling Ltd in final settlement for the completed Phase 3 drilling of 5,184 metre on its Ferensola gold project.

In November 2017, the Company announced that Nick Warrell, Chief Operating Officer, resigned as director and stepped down from the Board.

At a General Meeting of the Company held on 8 December 2017, the Company's shareholders approved resolutions to, inter alia, subdivide each ordinary share of 0.1p each into 1 new ordinary share of 0.001p each and 1 deferred share of 0.099p each.

The ordinary shares of 0.01p each carry the same rights as those previously attached to the ordinary shares of 0.001p each (save for the reduction in nominal value).

In December 2017, the Company acquired a controlling interest in a Cobalt Licence and had conditionally raised £1,750,000 (before expenses) through the placing of 3,000,000,000 new ordinary shares, and a subscription for 500,000,000 new ordinary shares at a price of 0.05p each.

The proceeds of the above fundraising is to be used to capitalise a new company incorporated in the Dominican Republic of Congo, (70% owned by ABM and 30% by the Vendor which will hold the Cobalt Licence); to buy-back shares from D-Beta, and for general working capital purposes.

In December 2017, it was mutually agreed by the Company and the Investors designated by RiverFort Global Capital Ltd, that the remaining balance due from Investors of £390,832 be waived and an additional settlement payment be made of £141,463 in order terminate the agreement.

In December 2017, the Company announced the purchase of 532,438,356 of its own ordinary shares of 0.001p each from D-Beta, an Investor designated by Riverfort Gloabal Capital Limited and a party to the equity sharing agreement. These shares were then cancelled in January 2018.

In January 2018, the directors announced the Company was renamed to African Battery Metals Plc.

13. Annual General Meeting and Distribution of Accounts to Shareholders

The Company's Annual General Meeting will take place on 9 April 2018 at the Company's registered office, 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. The Company's Annual Report and Accounts for the year ended 30 September 2017 will be posted to shareholders shortly. Copies of the Notice of AGM and the Annual Report and Accounts will also be available on the Company's website at www.abmplc.com in due course.

14. Statutory Accounts

The audited financial information in this announcement, which was approved by the Board of Directors on 14 March 2018, does not constitute the Company's statutory accounts for the year ended 30 September 2017, but is derived from those accounts. The Company's auditor, Moore Stephens LLP, has signed their report on the financial statements for the year ended 30 September 2017. Statutory accounts for the year ended 30 September 2016 have been delivered to the Registrar of Companies and those for the year ended 30 September 2017 will be delivered following the Company's Annual General Meeting.