

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017  
FOR  
BLENHEIM NATURAL RESOURCES PLC**

**BLenheim NATURAL RESOURCES PLC**

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FOR THE PERIOD ENDED 31 MARCH 2017**

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**BLENHEIM NATURAL RESOURCES PLC**

**COMPANY INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2017**

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<b>DIRECTORS:</b>	C J Ells M E Parker C Schaffalitzky
<b>COMPANY SECRETARY:</b>	Derringtons Limited
<b>REGISTERED OFFICE:</b>	Hyde Park House 5 Manfred Road London SW15 2RS
<b>REGISTERED NUMBER:</b>	02956279 (England and Wales)
<b>INDEPENDENT AUDITOR:</b>	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
<b>BANKER:</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP
<b>NOMINATED ADVISER:</b>	Grant Thornton UK LLP 30 Finsbury Square London, EC2P 2YU
<b>REGISTRAR:</b>	Capita Registrars Northern House, Woodsome Park Fenay Bridge, Huddersfield West Yorkshire, HD8 0LA
<b>JOINT BROKERS:</b>	SI Capital Limited 46 Bridge Street, Godalming Surrey, GU7 1HL  Peterhouse Corporate Finance 3 <sup>rd</sup> Floor - New Liverpool House, 15 Eldon Street, London EC2M 7LD  Cornhill Capital Limited 4 <sup>th</sup> Floor, 18 St Swithin's Lane London, ECN4 8AD

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## BLENHEIM NATURAL RESOURCES PLC

### CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017

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The Company changed its accounting reference date to 31 March in order to align the Company's balance sheet date with the common market practice of reporting to calendar quarter ends in the UK and to bring Blenheim's financial year-end in line with the end of the fiscal year.

The Company's financial results are for the eleven months ended 31 March 2017 and show a loss of £295,170 (loss of £234,588 for the year ended 30 April 2016.) Revenues of £2,534 and net realised gains of £30,053 from the disposal of financial assets at fair value through profit or loss were offset by administrative costs of £242,683, transaction costs of £41,995 and net interest costs of £43,079.

During the period covered by these results, Blenheim finalised or is still working on several strategic investments including:

1. Further subscription of £120,000 to increase its investment in IGS (International Geoscience Services) Limited ("IGS") – Blenheim is the largest shareholder in IGS and currently holds a stake of 29.9%, a small reduction from 30.1% as a result of minor dilution since the investment took place.
2. Grant of an option for £1 by TAM Mining ("TAM") to obtain 7.5% of the fully diluted issued share capital of TAM by 7 August 2017 if the Company utilises its expertise and contacts to assist TAM in raising a minimum of US\$5 million.
3. On 27 February 2017 Blenheim announced that, in addition to its ongoing discussions with Xantus Inc. ("Xantus") in respect of the Company's option to acquire a 30 per cent interest in the Dieba exploration permit in Southern Mali ("Dieba"), the Company was working to identify and appraise other lithium opportunities.
4. On 30 March 2017, Blenheim announced that it had conditionally acquired a 30 per cent interest in Nashwan Holdings Ltd ("Nashwan") for a consideration of £200,000 in cash and 75,000,000 ordinary shares of 0.1 pence each in the capital of the Company ("Ordinary Shares"). Nashwan currently holds two prospecting permits in Southern Mali and two exploration licence applications are pending over the same two areas. The payment of the consideration in respect of this transaction is conditional upon Nashwan successfully being granted exploration licences over both its Menianbala and Djidje projects within 90 days of the date of the share purchase agreement between the vendor and Blenheim, or by such other date agreed between the parties.

In addition to these significant developments in strategic investments, the Company has completed two successful share placings. Gross proceeds of £750,000 were raised in February 2017 and a further £1,000,000 raised shortly after the period end, in April 2017.

Borrowings of £275,000, represented by convertible loans, were fully repaid on 18 April 2017, after the period end. The Company is now free of any long-term debt.

As an investment company with significant cash resources, I believe that Blenheim is now extremely well positioned to continue to take advantage of opportunities in the natural resources and agribusiness sectors, in line with its investing policy. The directors are currently considering a number of promising potential strategic investments including lithium opportunities in West Africa, in particular the Xantus option referred to earlier in this statement.

Chris Ells (Chairman)  
15 May 2017

**BLENHEIM NATURAL RESOURCES PLC**  
**STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

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The Directors present their Strategic Report on the Company for the 11 month period ended 31 March 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the Company in the period under review was to establish strategic and portfolio investments in listed and unlisted shares, as well as in projects in the natural resource sector which encompasses the mining, oil & gas and agricultural sectors.

**REVIEW OF BUSINESS**

The Company has continued its principal activity with the investments made during the period, as detailed in the Chairman's Statement.

**FINANCIAL REVIEW**

The loss for this period before and after taxation was £295,170 (2016: loss of £234,588).

Cash and cash equivalents at the end of March 2017 was £598,445 (2016: £207,503).

The Directors consider the results for the period to be satisfactory.

**KEY PERFORMANCE INDICATORS ("KPIs")**

The main KPI's for the Company are set out below. These allow the Company to monitor costs and plan future investment decisions:

	2017	2016
	£	£
Cash and cash equivalents	598,445	207,503
Revenue	2,534	6,196
Financial assets at fair value through profit & loss at the period end	231,225	297,378
Other gains/(losses) - net	<u>30,053</u>	<u>51,954</u>

**PRINCIPAL RISK AND UNCERTAINTY**

The principal risks and uncertainties lie in the investments the Company holds. The nature of the natural resource sector means that returns are uncertain and resources may be unviable to extract. The Company has an investment strategy in place which is continually reviewed by the Board.

**BLenheim NATURAL RESOURCES PLC**  
**STRATEGIC REPORT - continued**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

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The Company's continued future operations depend on the ability to hold sufficient working capital to be able to meet its financial obligations. To date, the sources of funding available to the Company have principally comprised the issue of equity capital, either via an equity placing or convertible loans. However, the Company's ability to raise further funds will depend on the success of the Company's investment strategy, which is continually reviewed by the Board.

The Directors are confident there is adequate funding to finance future immediate working capital requirements, through to at least the end of May 2018.

The Company's principal financial instruments comprise available-for-sale financial assets, financial assets at fair value through the profit and loss, other receivables, other payables and cash and cash equivalents. With the exception of two convertible loan notes in issue (which have been settled post period end), no other bank loans or other financing arrangements have been required. Therefore the Company's exposure to risk and uncertainty is limited to market risk (ie price risk). The Company's exposure to credit risk, liquidity risk and interest risk is not deemed significant.

#### **POLITICAL AND COUNTRY RISK- EU REFERENDUM**

The Company is quoted in the United Kingdom (UK) and operates in the UK and European Union (EU). As a result of the Referendum, the Company may be subject to the impact of the UK leaving the European Union. As a result, given the ongoing uncertainty surrounding the situation the Company is monitoring matters and seeking advice as to how to mitigate the risks arising.

#### **INVESTING POLICY**

The Company's investing policy, as approved by shareholders on 29 April 2016, is set out below.

The Company will make direct and indirect investments in exploration and producing projects and assets in the natural resources sector, in technology associated with the natural resources sector, and in projects and assets in the farming, plantations and agribusiness sector.

In order to create value for shareholders, the Company will consider investment opportunities worldwide. Investments may be either quoted or unquoted entities; may be made by direct acquisitions; and may be in companies, partnerships, joint ventures or direct or indirect interests in assets or projects. It is anticipated that the Company will not take majority interests in such companies and the Company does not intend to limit the total number of investments that it will hold at any one time. The Company intends to be a medium to long-term investor, but will not rule out the acquisition and disposal of assets in the short term if the Directors determine this to be in the best interests of the shareholders.

## **BLenheim NATURAL RESOURCES PLC**

### **STRATEGIC REPORT - continued FOR THE PERIOD ENDED 31 MARCH 2017**

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The Company will seek to identify and appraise investment targets which the Directors believe to be undervalued, underdeveloped or underperforming or which the Directors believe will have the potential to develop new and/or disruptive technology. Where appropriate, the Company will seek to appoint non-executive directors to the boards of investee companies to assist with their development. Depending on the nature of the Company's individual investments, the Company may be both a passive or an active investor. The Company intends to deliver shareholder returns principally through capital growth rather than distributions via dividends.

The Company will continue to seek to mitigate its risk by undertaking appropriate due diligence and transaction analysis which will include using appropriately qualified advisers, when required. The Board proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. The Company will not have a separate investment manager.

The Board considers that as investments are made, and new promising investment opportunities arise, further funding for the Company may also be required. Therefore, in due course it is the intention of the Directors to expand the capital base of the Company to enable a more active pursuit of this policy, most likely through a placing of shares. Where the Board considers that it is in the best interests of shareholders, the Company may seek to acquire assets using its own share capital as consideration, thereby helping to preserve the Company's cash resources for working capital, and as a reserve against unforeseen contingencies. The Company will also be permitted to borrow to fund part of the cost of investments made. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets.

Initially, the portfolio will be concentrated but as the Company grows and develops, the Directors intend that within five years from the date of adoption of this investing policy, no investment should account for more than 20 per cent of the total value of the portfolio. Any transaction constituting a reverse takeover under the AIM Rules for Companies, will require shareholder approval.

Given the nature of the investing policy, the Company does not intend to make regular periodic disclosures or calculations of its net asset value.

#### **OUTLOOK**

The future developments are discussed in the Chairman's Statement.

#### **ON BEHALF OF THE BOARD:**

C J Ells - Chairman

15 May 2017

**BLenheim NATURAL RESOURCES PLC**  
**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

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The Directors present their report and the audited Financial Statements for the period ended 31 March 2017. The comparative information presented is in respect to the year ended 30 April 2016.

**DIVIDENDS**

The Directors do not recommend a payment of a dividend in respect of the period ended 31 March 2017 (2016: £Nil).

**DIRECTORS AND THEIR INTERESTS**

The Directors shown below have held office during the period to 31 March 2017 or have been appointed since the period end.

C J Ells  
M E Parker  
K P Legg – resigned 27 October 2016  
D C Ovadia – resigned 27 October 2016  
C Cleverly – resigned 15 September 2016  
C Schaffalitzky – appointed 12 April 2017

**Chris Ells FCA (Chairman)**

Chris Ells was appointed as a non-executive director on 1 November 2013. Chris is a qualified Chartered Accountant with extensive experience in excess of 25 years in the structured finance industry. Chris has experience in the natural resources and agricultural sectors and was a director of South East African Mining Limited, an exploration company focused on gold and base metal projects in Africa and Jacoma Estates Limited, a holding company with interests in macadamia nut plantations in Malawi.

**Mark Parker, BA MIMMM (Non-Executive Director)**

Mark Parker was appointed as a non-executive director on 28 March 2013. Mark is a geophysicist and mineral exploration entrepreneur with significant experience in Africa and the Middle East. Formerly Managing Director of African Eagle Resources plc, Mark is currently Managing Director of Equator Gold Holdings Limited and Chairman of Andiamo Exploration Ltd. Mark previously worked in the British Geological Survey, Hunting Geology and Geophysics, Ark Geophysics and as a management consultant in Africa, Europe, Southeast Asia, Latin America.

**Christian Schaffalitzky, BA(Mod), FIMMM, PGEO, CEng (Non-Executive Director)**

Christian Schaffalitzky was appointed as a non-executive director on 12 April 2017. He is Managing Director of Eurasia Mining plc which mines and explores PGMs in Russia. With over 40 years' experience in minerals exploration, Christian was a founder of CSA Global, the consulting group, and Ivornia West PLC, where he led the exploration, discovery and development of the Lisheen zinc deposit in Ireland and similarly the Shaimerden zinc deposit in Kazakhstan for Ennex International. Christian is also Chairman of Kibo Mining plc and on the board of MetalNRG plc.

**BLenheim NATURAL RESOURCES PLC**  
**REPORT OF THE DIRECTORS - continued**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

The Directors who served during the period and their beneficial interests in the shares of the Company as recorded in the register of Directors' interests at 31 March 2017 are as follows:-

	31 March 2017 Number of shares held	Percentage Shareholding %	30 April 2016 Number of shares held	Percentage Shareholding %
K P Legg *(resigned 27 October 2016)	N/A	N/A	16,955,000	9.2
C J Ells**	11,410,000	2.9	8,660,000	4.7

\* Included in the above number of shares were shares held by Tudeley Holdings Limited (2,900,000 shares) and Investeco Overseas Holdings Limited (4,000,000 shares), both companies controlled by K P Legg.

\*\* Included in the above number of shares were shares held by JIM Nominees Ltd (160,000 shares) for the benefit of C J Ells.

**DIRECTORS' REMUNERATION**

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing the compensation arrangement for all key management personnel (considered to be the Directors), regarded as the Officers of the Company. The Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis.

Details of the nature of each element of the remuneration of each member of Key Management for the period ended 31 March 2017 were as follows:

Director	Directors fees £	Other benefits £	Share based payments £	Total 2017 £	Total 2016 £
C J Ells	37,133	4,320	889	42,342	29,701
K P Legg – resigned 27 October 2016	3,600	1,836	-	5,436	10,098
M E Parker	16,600	4,170	695	21,465	5,579
D Ovadia – resigned 27 October 2016	1,972	-	6	1,978	5,579
C Cleverly – resigned 15 September 2016	17,167	1,530	-	18,697	16,502
	<b>76,472</b>	<b>11,856</b>	<b>1,590</b>	<b>89,918</b>	<b>67,459</b>

Other benefits relate to introductory fees paid to the directors as part of the IGS (International Geoscience Services) Limited (“IGS”) transaction. These costs are included within transaction costs in the Statement of Comprehensive Income.

**BLENHEIM NATURAL RESOURCES PLC**  
**REPORT OF THE DIRECTORS - continued**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

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The Directors who served during the period and their beneficial interests in share options in the Company, as recorded in the register of Directors' interests, are as follows:-

	31 March 2017 Number of options held	30 April 2016 Number of options held
C J Ells	19,500,000	10,500,000
M E Parker	11,500,000	1,500,000
D Ovadia – resigned 27 October 2016	N/A	1,500,000

No other Director held any other beneficial interests over the Company as at the period end.

See note 20 for details regarding the share options.

**GOING CONCERN**

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the Financial Statements. The Directors confirm that they consider that the going concern basis remains appropriate. Further detail can be found in note 1 to the Financial Statements.

**BLENHEIM NATURAL RESOURCES PLC**

**REPORT OF THE DIRECTORS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**SUBSTANTIAL INTERESTS**

On 31 March 2017, the following parties had notified the Company of a beneficial interest that represents 3% or more of the Company's issued share capital at that date:

Shareholders	31 March 2017 Number of shares held	Percentage Shareholding %	5 August 2016 Number of shares held	Percentage Shareholding %
R Bruce Rowan	21,250,000	5.3	21,250,000	11.5
K P Legg *	16,955,000	4.3	16,955,000	9.2
D Lenigas	12,000,000	3.0	-	-
T Short	12,000,000	3.0	-	-
African Potash Limited	-	-	8,750,000	4.7
C J Ells**	-	-	8,660,000	4.7

\* Included in the above number of shares were shares held by Tudeley Holdings Limited (2,900,000 shares) and Investeco Overseas Holdings Limited (4,000,000 shares), both companies controlled by K P Legg.

\*\* Included in the above number of shares were shares held by JIM Nominees Ltd (160,000 shares) for the benefit of C J Ells.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**INDEPENDENT AUDITOR**

PKF Littlejohn LLP has signified their willingness to continue in office as auditor.

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

C J Ells - Chairman

15 May 2017

**BLenheim NATURAL RESOURCES PLC**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The company is compliant with AIM Rule 26 regarding the Company's website.

**ON BEHALF OF THE BOARD:**

C J Ells – Chairman

15 May 2017

## **BLenheim NATURAL RESOURCES PLC**

### **REPORT OF THE INDEPENDENT AUDITOR FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLenheim NATURAL RESOURCES PLC**

We have audited the Financial Statements of Blenheim Natural Resources Plc for the period ended 31 March 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the 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 AUDITOR**

As explained more fully in the Statement of Directors' Responsibilities, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by 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 Company's affairs as at 31 March 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with requirements of the Companies Act 2006.

**BLenheim NATURAL RESOURCES PLC**  
**REPORT OF THE INDEPENDENT AUDITOR**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Joseph Archer (Senior statutory auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory auditor

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

15 May 2017

**BLENHEIM NATURAL RESOURCES PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2017**

	Notes	Period ended 31 March 2017 £	Year ended 30 April 2016 £
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>	4	2,534	6,196
Administrative expenses	5	(242,683)	(175,227)
Transaction costs	5	(41,995)	-
Impairment of available for sale financial assets	12	-	(82,345)
Other gains/(losses) - net	8	30,053	51,954
		_____	_____
<b>OPERATING LOSS</b>		(252,091)	(199,422)
Finance income	9	25	315
Finance costs	9	(43,104)	(35,481)
		_____	_____
<b>LOSS BEFORE INCOME TAX</b>		(295,170)	(234,588)
Income tax expense	10	-	-
		_____	_____
<b>LOSS FOR THE PERIOD</b>		(295,170)	(234,588)
		_____	_____
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		(295,170)	(234,588)
		=====	=====
<b>EARNINGS PER SHARE</b>			
(expressed in pence per share)			
Basic and diluted	11	<u>(0.13)</u>	<u>(0.23)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017

	Notes	31 March 2017 £	30 April 2016 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Available for sale financial assets	12	<u>1,022,963</u>	<u>260,463</u>
<b>CURRENT ASSETS</b>			
Other receivables and prepayments		32,780	22,490
Financial assets at fair value through profit or loss	13	231,225	297,378
Other financial assets		25,000	-
Cash and cash equivalents	14	<u>598,445</u>	<u>207,503</u>
		<u>887,450</u>	<u>527,371</u>
<b>TOTAL ASSETS</b>		<u><u>1,910,413</u></u>	<u><u>787,834</u></u>
<b>EQUITY</b>			
Share capital	15	1,564,331	1,350,045
Share premium		1,836,406	1,383,432
Other reserves	16	965,905	501,582
Retained deficit		<u>(3,042,032)</u>	<u>(2,746,862)</u>
<b>TOTAL EQUITY</b>		<u><u>1,324,610</u></u>	<u><u>488,197</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Borrowings	17	275,000	245,476
Trade and other payables	18	<u>310,803</u>	<u>54,161</u>
<b>TOTAL LIABILITIES</b>		<u><u>585,803</u></u>	<u><u>299,637</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,910,413</u></u>	<u><u>787,834</u></u>

The Financial Statements were approved and authorised for issue by the Board of Directors on 15 May and were signed on its behalf by:

.  
C J Ells - Director

The notes form part of these financial statements

**BLenheim NATURAL RESOURCES PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2017**

	Share capital £	Share premium £	Other reserves £	Retained earnings £	<b>Total £</b>
<b>Balance at 1 May 2015</b>	1,238,545	801,614	493,419	(2,512,274)	21,304
Loss for the year	-	-	-	(234,588)	(234,588)
<b>Total comprehensive income for the year</b>	-	-	-	(234,588)	(234,588)
Issue of share capital	111,500	670,250	-	-	781,750
Issue costs	-	(88,432)	-	-	(88,432)
Grant of share options and warrants	-	-	8,163	-	8,163
<b>Total transactions with owners, recognised directly in equity</b>	111,500	581,818	8,163	-	701,481
<b>Balance at 30 April 2016</b>	1,350,045	1,383,432	501,582	(2,746,862)	488,197
<b>Balance at 1 May 2016</b>	1,350,045	1,383,432	501,582	(2,746,862)	488,197
Loss for the period	-	-	-	(295,170)	(295,170)
<b>Total comprehensive income for the period</b>	-	-	-	(295,170)	(295,170)
Issue of share capital	214,286	535,714	-	-	750,000
Issue costs	-	(82,740)	-	-	(82,740)
Grant of share options and warrants	-	-	21,823	-	21,823
Shares to be issued	-	-	442,500	-	442,500
<b>Total transactions with owners, recognised directly in equity</b>	214,286	452,974	464,323	-	1,131,583
<b>Balance at 31 March 2017</b>	1,564,331	1,836,406	965,905	(3,042,032)	1,324,610

The notes form part of these financial statements

**BLenheim NATURAL RESOURCES PLC**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2017**

	Period ended 31 March 2017 £	Year ended 30 April 2016 £
<b>Cash flows from operating activities</b>		
Loss before income tax	(295,170)	(234,588)
Finance costs	43,104	35,481
Finance income	(25)	(315)
Gain on disposal of financial assets	(30,053)	(51,954)
Impairment of available for sale financial assets	-	82,345
Share based payments	21,823	8,163
Increase in trade and other receivables	(10,290)	(8,786)
Increase in trade and other payables	<u>256,642</u>	<u>21,166</u>
<b>Net cash used in operating activities</b>	<u>(13,969)</u>	<u>(148,488)</u>
<b>Cash flows from investing activities</b>		
Purchase of available for sale financial assets	(320,000)	(260,463)
Purchase of financial assets at fair value through profit or loss	(343,485)	(210,757)
Purchase of other financial assets	(25,000)	
Proceeds from disposal of financial assets at fair value through profit or loss	<u>439,691</u>	<u>106,950</u>
<b>Net cash used in investing activities</b>	<u>(248,794)</u>	<u>(364,270)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital	750,000	781,750
Share issue expenses paid	(82,740)	(84,832)
Interest paid	(13,580)	(16,518)
Interest received	<u>25</u>	<u>32</u>
<b>Net cash generated from financing activities</b>	<u>653,705</u>	<u>680,432</u>
<b>Decrease in cash and cash equivalents</b>	390,942	167,674
Cash and cash equivalents at the beginning of the period	<u>207,503</u>	<u>39,829</u>
<b>Cash and cash equivalents at the end of the period (note 14)</b>	<u>598,445</u>	<u>207,503</u>

Significant non-cash transactions in the period include the shares to be issued in relation to the Nashwan transaction. See note 12 for details.

The notes form part of these financial statements

## **BLenheim NATURAL RESOURCES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **1. ACCOUNTING POLICIES**

##### **General information**

Blenheim Natural Resources Plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 02956279). The Company is domiciled in the United Kingdom and its registered address is Hyde Park House, 5 Manfred Road, London, SW15 2RS. The principal activity of the Company is to establish strategic and portfolio investments in listed and unlisted shares, as well as in projects in the natural resource sector which encompasses the mining, oil and gas and agricultural sectors. The Company's shares are traded on the AIM market of the London Stock Exchange.

##### **Summary of significant accounting policies**

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### **Basis of preparation**

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss. The Company is an investment entity and has therefore prepared its financial statements on this basis.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

##### **Going concern**

The Financial Statements have been prepared assuming the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

The Directors have prepared cash flow forecasts for the Company. It is envisaged by the Directors that the cash flow existing as at the date of the Statement of Financial Position, together with the placing proceeds received post period end, provide adequate funds for the Company for at least 12 months from the date on which these Financial Statements were signed.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES – continued**

As referred to in note 22 of these Financial Statements, the Company raised gross proceeds of £1,000,000 by way of a share placing and issue of shares on 3 May 2017. These funds will complement the Company's existing cash resources and will be used for further investment opportunities. The Directors will retain sufficient cash resources to fund ongoing operations.

On this basis, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors have adopted the going concern basis in preparing the Financial Statements.

**Changes in accounting policy and disclosures**

**(a) New standards, amendments and interpretations adopted by the Company**

There are no new standards and amendments to standards and interpretations effective for the financial period beginning on or after 1 May 2016 material or applicable to the Company.

**(b) New standards, amendments and interpretations not yet adopted by the Company**

The standards and interpretations that are relevant to the Company, issued but not yet effective, up to the date of issuance of the Financial Statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

<b>Standard</b>		<b>Effective Date</b>
IAS 7 (Amendments)	Results of the Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred tax assets for Unrealised Losses	*1 January 2017
IFRS 2 (Amendments)	Measurement of share based payment transactions	*1 January 2018
IFRS 9 (Amendments)	Financial Instruments	*1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
Annual Improvements	2014 – 2016 Cycle	*1 January 2017/ 1 January 2018

*\*Subject to EU endorsement*

IFRS 15 requires an expected quantitative impact of the application of IFRS 15 to be included within the financial statements. Dividend income is not considered to change as a result of the transition to IFRS 15.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**BLenheim NATURAL RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES - continued**

**Foreign currency translation**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'Other (losses)/gains – net'.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The financial statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

**Segmental reporting**

An operating segment is a component of the Company that engages in business from which it may earn revenues and incur expenses. The Company has only one operating segment, being the investment in companies or assets in the natural resources and agribusiness sectors. Therefore the financial information of the single segment is the same as that set out in the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows.

**Financial assets**

**(a) Classification**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES - continued**

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading and include investments the Board of Directors expect to trade within the next 12 months.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'prepayments' and 'cash and cash equivalents' in the Statement of Financial Position.

*Available for sale financial assets*

Available for sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

**(b) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value with transaction costs expensed for all financial.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Other (losses)/gains – net' in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised as part of other comprehensive income.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES – continued**

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as 'Gains and losses from investment securities'. Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Income as part of other income when the Company's right to receive payments is established.

**(c) Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

A significant or prolonged decline in the fair value of equity investments and securities below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

**Trade and other receivables**

Trade and other receivables are initially recognised at fair value. Fair value is considered to be the original invoice amount, discounted where material, for short-term receivables and payables.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and bank balances.

**Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES - continued**

**Compound financial instruments**

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument and the fair value of the liability component. Any directly attributable transaction cost is allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**Revenue**

Revenue comprise of dividends and are recognised when the Company's right to receive payment is established.

**Income tax**

Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

Tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES – continued**

Tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Share based payments**

The Company operates equity-settled, share-based compensation plans, under which the entity receives services from directors and employees as consideration for equity instruments (options) of the Company. The fair value of the services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, the Company's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time). The share options issued by the Company do not have any vesting conditions and all vested on issue.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017

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2. **FINANCIAL RISK MANAGEMENT**

**(a) Financial Risk Factors**

The Company's principal financial instruments comprise both listed and unlisted investments, other receivables, other payables, cash and convertible loan notes, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company. The Board provides written policies for overall risk management, as well as written policies covering specific areas including: market risks (including foreign exchange risk and price risk) and to a very limited amount, interest rate risk and liquidity risk.

**Market risk**

***Price risk***

The Company is exposed to equity securities price risk because of investments held by the Company, classified as available-for-sale or at fair value through profit or loss. The Company is not directly exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Board.

The Company's investments in equity of other entities are publicly traded on one of or dual listed on the following: the London Stock Exchange (LSE); Australian Stock Exchange (ASX).

Post-tax profit for the period would increase or decrease by £11,561 as a result of a 5% gain or loss on equity securities classified as at fair value through profit or loss. Other components of equity would not change as a result of gains or losses on equity securities classified as available for sale.

**Interest risk**

The Company is not exposed to interest rate risk on financial liabilities. As at the reporting date, the Company interest rate profile solely consisted of fixed rate convertible loans valuing £275,000, with an additional amount of £76,136 recognised in equity, carrying an interest rate of 6% per annum.

The Company has no other borrowing facilities available to it.

**Liquidity risk**

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital, generate a return on its investments to meet its future obligations and the settlement of the convertible loan.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**2. FINANCIAL RISK MANAGEMENT - continued**

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

**(b) Capital Risk Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company's capital structure primarily consists of equity attributable to the owners, comprising issued capital, reserves and retained losses.

**(c) Fair Value Estimation**

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

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

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the financial statements.

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**2. FINANCIAL RISK MANAGEMENT – continued**

The following table presents the Company’s financial assets that are measured at fair value:

31 March 2017:	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Trading securities	227,545	-	3,680	231,225
<b>Available for sale financial assets</b>				
Equity securities	-	-	1,022,963	1,022,963
30 April 2016:	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Trading securities	293,698	-	3,680	297,378
<b>Available for sale financial assets</b>				
Equity securities	-	-	260,463	260,463

The Company does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the period.

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily LSE, ASX and JSE equity investments classified as trading securities or available for sale.

(ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**3. FINANCIAL RISK MANAGEMENT – continued**

**Fair Value Estimation - continued**

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has valued all level 3 financial instruments at cost. Cost is considered to represent fair value given the proximity of the current period acquisitions to the reporting date, together with a lack of sufficient appropriate information on which to base an alternative valuation technique. As a result, there is no sensitivity of any management estimates on the carrying value of the financial instruments.

The following table presents the changes in level 3 instruments for the period ended 31 March 2017 (30 April 2016):

	2017	2016
	£	£
Opening balance	264,143	86,025
Additions into level 3	762,500	260,463
Losses recognised in profit or loss	-	(82,345)
	<u>          </u>	<u>          </u>
Closing balance	1,026,643	264,143
	<u>          </u>	<u>          </u>

**3. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS**

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.

**(a) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting estimates will by definition, seldom equal the actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Fair value of financial assets**

The Company reviews the fair value of its quoted and unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market. See note 2 for detail on the Level 3 valuation process.

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NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017

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3. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS - continued

**Compound financial instruments**

In order to calculate the split for convertible loans between the financial liability and equity components, management is required to discount the contractual stream of future cash flows under the convertible loan note instrument at an estimated rate of interest applicable to instruments which do not have any associated conversion option.

The values of the liability and equity conversion component were determined at the date the loan notes were issued. The fair value of the liability component was calculated using a market interest rate of 15% for an equivalent non-convertible loan. The residual amount, representing the value of the equity conversion option was £76,135 (2016: £76,135) and therefore included in other reserves in equity.

**(b) Critical judgements in applying the entity's accounting policies**

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. The most critical judgements as applied to these financial statements are as follows:

**Available for sale of financial assets**

Available for sale financial assets have a carrying value of £1,022,963 at 31 March 2017 following an impairment charge of £Nil (2016: £82,345) and additional equity share acquisitions in the period.

The Company follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow.

Management has concluded that there is no requirement to impair the carrying value of available for sale financial assets based on its valuation of the equity instruments held. The impairment carried out in the previous year related to AFE entering Voluntary Administration on 19 January 2016 and, despite the efforts of the Company's board to salvage the value in this investment by exploring the possibility of acquiring AFE as a shell and relisting in South Africa, the Company's Board considers it prudent to fully impair this investment.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**4. REVENUE**

	Period ended 31 March 2017	Year ended 30 April 2016
	£	£
Dividend income on financial assets at fair value through profit and loss	<u>2,534</u>	<u>6,196</u>

**5. EXPENSES BY NATURE**

	Period ended 31 March 2017	Year ended 30 April 2016
	£	£
Directors' remuneration (Note 6)	76,472	47,804
Legal and professional fees	89,916	68,602
Auditors' remuneration (Note 7)	19,500	19,200

Transaction costs of £41,995 were also incurred in the course of the investing activities in the period, in particular in relation to the Nashwan Holdings transaction.

**6. EMPLOYEES AND DIRECTORS**

	Period ended 31 March 2017	Year ended 30 April 2016
	£	£
Directors' remuneration	<u>76,472</u>	<u>47,804</u>

The Directors also received introductory fees in relation to the IGS transaction - details of the Directors' remuneration can be found in the Report of the Directors. Directors are considered to be key management of the Company.

The average monthly number of employees (including Directors) during the period/ year was as follows:

	Period ended 31 March 2017	Year ended 30 April 2016
Directors	<u>4</u>	<u>5</u>

**BLLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**7. AUDITOR'S REMUNERATION**

During the period/ year the Company obtained the following services from the auditor:

	Period ended 31 March 2017 £	Year ended 30 April 2016 £
Fees payable to the Company's auditor (and its associates) in regards to the audit of the Company:	18,000	18,000
Fees payable to the Company's auditor for other services:		
-Other non-audit services	<u>1,500</u>	<u>1,200</u>
	<u>19,500</u>	<u>19,200</u>

**8. OTHER (LOSSES)/GAINS – NET**

	Period ended 31 March 2017 £	Year ended 30 April 2016 £
Fair value gains on financial assets at fair value through profit or loss	<u>30,053</u>	<u>51,954</u>

**9. NET FINANCE COSTS**

	Period ended 31 March 2017 £	Year ended 30 April 2016 £
Finance income:		
Bank deposit interest	<u>25</u>	<u>315</u>
Finance costs:		
Loan interest	<u>43,104</u>	<u>35,481</u>

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**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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10. **INCOME TAX**

**Tax charge for the period/ year**

No liability to UK corporation tax arose on ordinary activities for the period ended 31 March 2017 nor for the year ended 30 April 2016.

**Factors affecting the tax charge for the period/ year**

	Period ended 31 March 2017	Year ended 30 April 2016
	£	£
Loss on ordinary activities before income tax	(295,170)	(234,588)
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	(59,034)	(46,918)
Effect of:		
Tax losses for which no deferred tax asset was recognised	54,539	28,356
Expenses not deductible	4,495	18,562
	<hr/>	<hr/>
<b>Tax charge for the period/ year</b>	<b><u><u>-</u></u></b>	<b><u><u>-</u></u></b>

As at the end of the reporting period the Company held £4,139,693 (2016: £4,139,693) in respect of capital losses and approximately £663,000 (2016: £561,000) in relation to operating losses. Both are available to be offset against future gains and profits.

A deferred tax asset has not been recognised in respect to these losses in view of the uncertainty as to the level of future taxable profits.

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**11. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period/ year.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

		31 March 2017	
	Earnings £	Weighted average number of shares	Per-share amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	(295,170)	223,251,939	(0.13)
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>(295,170)</u>	<u>223,251,939</u>	<u>(0.13)</u>

		30 April 2016	
	Earnings £	Weighted average number of shares	Per-share amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	(234,588)	102,397,288	(0.23)
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>(234,588)</u>	<u>102,397,288</u>	<u>(0.23)</u>

In accordance with IAS 33 the share options and warrants in issue do not have a dilutive impact on the earnings per share for the period ended 31 March 2017 and the year ended 30 April 2016. The total number of potentially dilutive securities are 272,500,000 (2016: 22,500,000).

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**12. AVAILABLE FOR SALE FINANCIAL ASSETS**

	2017	2016
	£	£
At 1 May	260,463	82,345
Additions	762,500	260,463
Impairment	-	<u>(82,345)</u>
At the period end	<u>1,022,963</u>	<u>260,463</u>

A brief description of the three strategic holdings is as follows:

As at 31 March 2017, the carrying value of the Company's 29.9 per cent investment in IGS (International Geoscience Services) Limited ("IGS") is based on its acquisition cost of £380,463. The Directors consider this carrying value to equate to the fair value of this investment as revenue and costs of the geoconsultancy and IGS Xplore, the technology business, cannot be forecast accurately beyond the near future given the fluidity in both market places.

On 26 March 2017, Blenheim conditionally acquired a 30 per cent interest in Nashwan Holdings Ltd ("Nashwan") for a consideration of £200,000 in cash and 75,000,000 ordinary shares of 0.1 pence each in the capital of the Company. The shares have been included at a value of £442,500 and included in other reserves in shares to be issued. Nashwan currently holds two prospecting permits in Southern Mali and two exploration licence applications pending over the same two areas.

The carrying value of the Company's investment in Nashwan is based on its acquisition cost of £642,500. The Directors consider that this carrying value equates to the fair value of this investment given the proximity of the transaction to the reporting date.

Completion of the Company's investment in Nashwan was conditional at the period end on shareholders granting the directors the authority to allot and issue the share based consideration. This authority was granted by shareholders at a general meeting held on 28 April 2017, and completion of the Company's investment has taken place.

Pursuant to the terms of the acquisition, the payment of consideration to the vendor remains conditional on Nashwan successfully being granted with exploration licences over both its Menianbala and Djidje projects within 90 days of the date of completion, or by such other date agreed between the parties.

On 7 August 2016, the Company entered into an option agreement with TAM Mining Limited ("TAM"). The Company paid a nominal option fee of £1 and was granted the option to be issued with ordinary shares in TAM equal to 7.5% of its entire issued share capital, on a fully diluted basis (the "Option"). As consideration for this interest, Blenheim agreed to use its skills and contacts to assist TAM in raising a minimum of US\$5 million (the "Funding Condition"). This Option is exercisable, inter alia, by Blenheim within 12 months from the date of the Agreement, subject to successfully meeting the Funding Condition. The Company continues to assist in identifying relevant sources of finance and provides technical and commercial support to TAM.

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2017	2016
	£	£
Equity securities – held for trading	<u>231,225</u>	<u>297,378</u>

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the Statement of Cash Flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other (losses)/gains – net' in the Statement of Comprehensive Income (note 8).

The fair value of all equity securities is based on their observable current bid prices in an active market.

**14. CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Bank accounts	578,434	207,079
Cash held in investment portfolio	<u>20,011</u>	<u>424</u>
	<u>598,445</u>	<u>207,503</u>

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**15. SHARE CAPITAL**

	Number of shares No.	Ordinary shares £	Deferred shares £	Share premium £	Total £
At 1 May 2015	727,909	72,835	1,165,710	801,614	2,040,159
Sub division of shares	72,062,991	-	-	-	-
Issue of shares	111,500,000	111,500	-	670,250	781,750
Share issue costs	-	-	-	<u>(88,432)</u>	<u>(88,432)</u>
At 30 April 2016	184,290,900	184,335	1,165,710	1,383,432	2,733,477
At 1 May 2016	184,290,900	184,335	1,165,710	1,383,432	2,733,477
Issue of shares	214,285,714	214,286	-	535,714	750,000
Share issue costs	-	-	-	<u>(82,740)</u>	<u>(82,740)</u>
At 31 March 2017	398,576,614	398,621	1,165,710	1,836,406	3,400,737

On 7 February 2017, 214,285,714 Ordinary shares of 0.10 pence each were issued fully paid at a premium of 0.25 pence per share during the period.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**16. OTHER RESERVES**

	Shares to be issued	Shares option reserve	Merger reserve	Total
At 1 May 2015	76,135	-	417,284	493,419
Issue of share options and warrants	<u>-</u>	<u>8,163</u>	<u>-</u>	<u>8,163</u>
At 30 April 2016	76,135	8,163	417,284	501,582
Issue of share options (see note 20)	-	21,823	-	21,823
Shares to be issued	<u>442,500</u>	<u>-</u>	<u>-</u>	<u>442,500</u>
At 31 March 2017	<u><u>518,635</u></u>	<u><u>29,986</u></u>	<u><u>417,284</u></u>	<u><u>965,905</u></u>

Merger relief reserve of £417,284 arose in the period ended 31 December 1995 and relates to shares that were issued on a share for share basis in relation to the Langdon (Coffee & Tea) Limited transaction.

Shares to be issued comprise the equity component of compound financial instruments. See Borrowings – note 17. Shares to be issued also includes £442,500 in respect of deferred share consideration for the Nashwan transaction as outlined in note 12.

Share option reserve comprises the cumulative fair value of share options and warrants – See note 20.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**17. BORROWINGS**

	2017	2016
	£	£
Current:		
Convertible loan notes	<u>275,000</u>	<u>245,476</u>
Terms and debt repayment schedule:		
	£	£
Less than 1 year	<u>275,000</u>	<u>245,476</u>

Borrowings represent convertible loan notes which were fully repaid on 18 April 2017.

The carrying amounts and the fair value of borrowings are as follows:

	Carrying amount		Fair value	
	2017	2016	2017	2016
	£	£	£	£
Convertible loan notes	<u>275,000</u>	<u>245,476</u>	<u>275,000</u>	<u>275,000</u>

The carrying amounts of the company's borrowings are denominated in UK sterling.

The convertible bond recognised in the balance sheet is calculated as follows:

	2017	2016
	£	£
Face value of convertible loan notes issued	275,000	275,000
Equity component (note 16)	<u>(76,135)</u>	<u>(76,135)</u>
Liability component on initial recognition	198,865	198,865
Interest expense	139,666	94,778
Interest paid	<u>(63,531)</u>	<u>(48,167)</u>
	<u>275,000</u>	<u>245,476</u>

The fair value has been calculated using discounted cash flows at a rate of 15% per annum.

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**18. TRADE AND OTHER PAYABLES**

	2017	2016
	£	£
Trade payables	58,036	22,973
Deferred Consideration	200,000	-
Other payables	125	125
Accruals	<u>52,642</u>	<u>31,063</u>
	<u><u>310,803</u></u>	<u><u>54,161</u></u>

Deferred consideration of £200,000 relates to the cash consideration due on the Nashwan acquisition referred to in note 12 of these Financial Statements.

**19. RELATED PARTY DISCLOSURES**

The following transactions were undertaken with related parties:

<b>Transactions</b>			2017	2016
			£	£
The Main Group Ltd	Entity under common Directorship: C J Ells	Administration costs	5,316	6,384
The Main Group Ltd	Entity under common Directorship: C J Ells	Costs in relation to IGS acquisition	4,320	8,262
Tudeley Holdings Ltd	Entity under common Directorship: K P Legg	Costs in relation to IGS acquisition	1,836	-
C Cleverly	Director	Costs in relation to IGS acquisition	1,530	-
KPL Investments Ltd	Entity under common Directorship: K P Legg	Finance costs	1,498	1,502
Tudeley Holdings M E Parker	Entity under common Directorship: K P Legg Director	Finance costs Finance costs Costs in relation to IGS acquisition	1,961 300 4,170	900 300 -

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**19. RELATED PARTY DISCLOSURES – continued**

The receivables and payables are unrestricted in nature and no provisions are held against receivables from related parties.

		2017	2016
<b>Period/ Year end balances</b>		£	£
	Entity under common Directorship: K P		
KPL Investments Ltd	Legg Other loans*	25,000	25,000
	Entity under common Directorship: K P		
Tudeley Holdings	Legg Other loans*	15,000	15,000
M E Parker	Director Other loans*	5,000	5,000
Andiamo Exploration Ltd	Entity under common directorship: M E Parker Investments	3,680	3,680

\* See note 9 in relation to details of the interest charges attached to other loans. These loans were fully repaid on 18 April 2017.

Details of the Directors' remuneration can be found in the Report of the Directors. Directors are considered to be key management of the Company.

**20. SHARE-BASED PAYMENT TRANSACTIONS**

The measurement requirements of IFRS 2 have been implemented in respect of share options and warrants granted. The expense recognised for share based payments during the period is £21,823 (2016: £8,163).

247,500,000 options or warrants were issued during the financial period ended 31 March 2017 with an average exercise price of 0.64 pence.

**BLenheim NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

**20. SHARE-BASED PAYMENT TRANSACTIONS – continued**

**Movement in issued share options during the period**

The table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options and warrants during the period as follows:

	No of options	WAEP
Outstanding at the beginning of the period	28,500,000	0.96p
Granted during the period	247,500,000	0.64p
Forfeited/cancelled during the period	(3,500,000)	1.25p
Outstanding at the end of the period	<u>272,500,000</u>	<u>0.67p</u>
Exercisable at the end of the period	272,500,000	0.67p

The fair value of the options and warrants granted in the period have been calculated using the Black Scholes model assuming the inputs shown below:

	7 February 2017	7 February 2017	23 March 2017
- Grant date	214,285,714	10,714,286	22,500,000
- No. of options/warrants granted	0.475p	0.475p	0.625p
- Share price at grant date	0.65p	0.35p	0.65p
- Exercise price at grant date	2.75%	2.75%	2.75%
- Risk free rate	2 years	3 years	3 years
- Option life	10.81%	10.81%	10.81%
- Expected volatility	0%	0%	0%
- Expected dividend yield	£0.003	£0.0004	£0.0013
- Fair value of option/ warrant			

Share options and warrants outstanding at the end of the period have the following expiry dates:

<b>Grant date</b>	<b>Exercise date</b>	<b>Number of shares</b>
30 October 2015	15 October 2018	10,000,000
30 October 2015	15 April 2017	9,000,000
16 December 2015	10 December 2017	6,000,000
7 February 2017	18 January 2019	214,285,714
7 February 2017	18 January 2020	10,714,286
23 March 2017	7 February 2020	22,500,000

**BLENHEIM NATURAL RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**21. ULTIMATE CONTROLLING PARTY**

The Directors consider that there is no ultimate controlling party.

**22. EVENTS AFTER THE REPORTING PERIOD**

The Company raised gross proceeds of £1,000,000 by way of placing 222,222,222 ordinary shares of 0.1 pence each at a price of 0.45 pence per share on 3 May 2017. These funds will complement the Company's existing cash resources and will be used for further investment opportunities.

The Company fully repaid Convertible Loan Notes of £275,000 on 18 April 2017. These Convertible Loan Notes are shown as Borrowings under Note 17 of these Financial Statements.