BOTSWANA DIAMONDS PLC

ANNUAL REPORT 2015

Mineralogical Analyses at Base Camp Letlhakane

Drilling PL210 Orapa

Soil Sampling Gope

Front Cover: A view of the Kalahari Desert

Contents

Chairman's Statement

I am pleased to report significant advances in our operations in Botswana. The depressed share price makes it difficult to accept and understand that Botswana Diamonds (BOD) is doing well. We are actively exploring in Botswana, the biggest diamond producing country in the world by value. We have interests in 27 licences. 14 licences located in the Orapa and Gope areas are in a 50% joint venture with Alrosa, the world's largest diamond producer by volume. 3 licences are wholly owned by BOD and 10 licences in the Kalahari are operated by BCL, where we hold a 15% indirect interest.

Our main operating focus is a joint venture with Alrosa with whom we have worked together for four years. Diamonds are hard to find. Using the results of Alrosa data analysis of our substantial database, we have in the past 18 months obtained and analysed a lot of ground and drilled on two separate licences in the Orapa area of Botswana – home to four of the world's best diamond mines. In neither programme did we find a commercial discovery, although in each case positives were found. On PL117, we found kimberlite stringers. On PL210, we discovered the ultramafic source of the anomaly identified by geophysics and soil sampling, but the ultramafic rock was not kimberlite. The positives are that Alrosa techniques, refined in Siberia, have been demonstrated to work in Botswana. As we continue into 2016 with extensive ground in both the Orapa and Gope regions we believe that focused exploration will yield positive results.

In addition to our joint venture we have an indirect 15% carried interest in what was known as the Brightstone block of 10 licences in the Gope Region of Botswana, which is in the Kalahari Desert. Recent years have seen growing activity in the area. The Gem Diamonds owned Ghagoo Mine is coming on stream, while Petra Diamonds is proving up the KX36 discovery. The Brightstone licences have been acquired by BCL, a Botswana owned copper and nickel miner. We supplied BCL with an extensive database and our analyses of potential targets. BCL drilled in early 2015. It is known that they found kimberlites and we await further news with interest.

Before commenting on our exploration plans for the future let me quickly review the market for diamonds. There is a rapid shift in diamond demand from the Western world to the East. Notwithstanding recent volatility in China, emerging markets throughout Asia are experiencing rapid economic growth. There is an emerging Middle Class with disposable income and diamonds are high on the list of desirable purchases for Chinese and Indian consumers. But there are other very big markets which are rapidly expanding such as Thailand, the Philippines, and Vietnam to name three.

As the percentage of the world diamonds supplied by De Beers falls, price volatility increases. A dominant market player can control supply and therefore price by having the financial strength to hold inventories of diamonds. This facility is now largely gone. The old order has changed with new entrants at all levels of the supply chain. New buyers of rough stones, mainly Asian, lack the financial strength of De Beers. In times of liberal credit these buyers stock up. When credit gets tight some find themselves exposed and forced to sell thereby increasing volatility.

Let me turn now to our current areas of activity.

BOD has interests in 14 licences in a 50% joint venture with Alrosa called Sunland Minerals.

During the period under review a Sunland Minerals team which consists of Russian geologists, geophysicists and mineralogists combined with the local Botswana geologists worked mainly in the Orapa area on licences PL206 to PL210 awarded in 2014. The ground had been selected by Alrosa. Subsequently an additional licence was awarded PL085/2015. The work consisted of extensive sampling in defined grids, ground magnetic surveys and Transient Electromagnetic surveys. Mobile laboratories and skilled experienced mineralogists were on site. As a result, rapid analyses were carried out enabling subsequent exploration to be better defined and focused. This phase finished in late 2014.

A follow up field campaign took place in H1 2015. The effort was concentrated on three of the six licences, PL206/PL207/PL210. Extensive sampling and geophysics were carried out and results analysed. By mid-2015 a drill target was selected on PL210 and a three hole drill programme was agreed for Q3 2015.

Following the period end an intensive fieldwork programme took place on PL210 and on new licence PL055 in the Orapa area throughout September and October 2015. A three hole, 330 metre drilling campaign was carried out on PL210. Two of the three holes intersected the anomaly which was an ultramafic rock but not a kimberlite. The results are being analysed. The anomaly is not the source of the heavy concentration of Kimberlite Indicator Minerals (KIMs) found on PL210.

Having completed their work in the Orapa area the exploration team moved to our new ground, PLs 135, 136 and 137, in the Gope kimberlite field in the Kalahari. Earlier work by Botswana Diamonds had identified anomalies on each of these small licences. A programme of ground magnetics, electromagnetics and soil sampling were carried out. Results are being analysed. Initial analysis confirms the presence of anomalies on at least two of the licences.

Chairman's Statement *(continued)*

We have been aggressive in applying for and being awarded new ground. In recent weeks we have been awarded four additional licences in the Gope region, PLs 232-235. A high priority licence in the Orapa area has also been obtained, PL260. This lies between the Karowe and Orapa mines and contains known kimberlites. The initial concentration of the joint venture was on ground in the Orapa area showing potential for new diamondiferous kimberlites. This is now being extended to the emerging Gope diamond province. The policy is to work the ground as soon as possible after an award is made. This policy will continue in 2016.

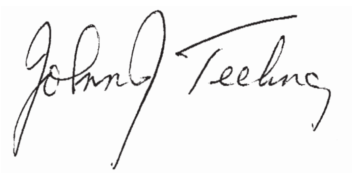
The work programme for 2016 includes:

- Probable verification drilling of two anomalies identified on PL210 in Orapa;
- Detailed soil sampling on a 200 m x 200 m grind on PL085 to discover the dispersion of KIMs around mineralogical anomalies;
- A TEM programme will be undertaken over the area;
- Magnetics, soil sampling and TEM on the four new Gope licences; and
- PL260 will be surveyed in Q1 2016. A TEM survey will be undertaken on one of the known pipes to better understand the geological model. All known data on the three pipes, AK21, AK22 and AK23, will be analysed. Following this drilling decisions will be made.

FUTURE

There is an active programme planned by Alrosa/BOD for 2016. Each time fieldwork is undertaken the data is refined and the focus of our activities improves. The Brightstone block appears to have exciting potential soon to be commented on.

Exploration requires funding. We are fully carried in the Brightstone block and are 50/50 in the Sunland joint venture. To provide maximum flexibility with regards to future funding we are proposing to change the par value of existing shares from 1p to 0.25p as set out in Resolution 6 in the Notice of the Company's forthcoming Annual General Meeting. This has no impact whatsoever on the value of existing shares or the number of shares in issue. In what is a very difficult market we will have the support of family, friends and followers. Diamond exploration is a high risk, potentially high return, business. Our people are good, our partners are experienced and capable and we have choice ground in the best diamond address in the world.



John Teeling
Chairman

18 November 2015

Diamond Market – Review

Global diamond supply remains dominated by the two majors, De Beers and Alrosa of Russia. They are then followed by several other companies, including Rio Tinto Diamonds, Dominion Diamond Corporation, Petra Diamonds, Gem Diamonds and Lucara Diamond Corporation.

2015 can only be described as a very challenging market for the diamond trade. Producers, manufacturers, traders and retailers have all suffered.

Following 2014, which saw rough diamond price increases in the first half and decreases in the second half, 2015 kicked off with tight trading and manufacturing margins and liquidity problems in the rough market.

ROUGH DIAMOND MARKET

Over the course of the past twelve months, the market has been in a negative mood. Producers have attempted to sell as much as possible, but faced with continued, rejected allocations they have been forced to reduce both volumes and prices, as well as allow their clients to defer purchases.

All the larger producers have cut production in H2 2015 and will face revenue drops (expected to be up to 35%) in 2015. Smaller producers who sell via tender/auction are expected to have fared better.

The so-called middle market, comprised of traders and manufacturers, has seen financial weakness and several bankruptcies in various key cutting centres. This situation has been caused by a combination of high rough diamond prices, declining polished prices and reduced demand from the emerging markets. India, as the world's largest manufacturing centre, has been worst hit.

Beneficiation in African countries has also struggled with Botswana, South Africa and Namibia all seeing factory closures due to the reduced ability of manufacturers to operate profitably in these relatively high cost centres.

Since the beginning of 2015 rough prices are estimated to have fallen by 15-20%. The market is not expected to show price growth for 3-6 months from now, as pipeline destocking continues.

POLISHED DIAMOND MARKET

Polished demand and sales show a mixed picture in 2015. The key US market, with around 40% of global polished sales, has been relatively solid. However, the emerging markets of China and India have struggled and both polished and retail sales figures have weakened.

The main trade fairs in Hong Kong, Las Vegas and Mumbai have all been disappointing and the widely hoped for shortage in polished supply has not yet materialised.

Polished diamond prices are estimated to have fallen by 6% since January (-10% year-on-year).

INDUSTRY DEVELOPMENTS

Faced with tough trading conditions, the industry has acted to support the market challenges.

- The Diamond Producers' Association was established in May 2015 – this is a body operated by the leading miners around the globe to support marketing initiatives to promote demand for natural diamond jewellery.
- De Beers has embarked upon new advertising campaigns in the US and emerging markets to drive renewed demand for diamond jewellery over the key Christmas season.
- Several initiatives to combat the threat of synthetics diamonds have been initiated.

The next 3-6 months are expected to remain challenging for the diamond market. Reduced supply volumes will help, potentially supported by further price decreases, from the rough producers.

The all-important Christmas retail season, when traditionally 40% of diamond jewellery sales by value are achieved, will serve as a guide to how the 2016 market opens.

As the reduced polished supply from 2015 takes effect, 2016 should start on a stronger footing and it is expected that rough and polished demand should improve.

The longer-term picture remains bright and is supported by robust fundamentals. Limited opportunities for growth in rough diamond production are available and diamond production is forecast to decline after 2020. At the same time global diamond jewellery demand is predicted to grow at up to 5% CAGR for the next 10 years and beyond, driven mainly by the emerging markets. Therefore, both rough and polished prices are expected to grow strongly in the longer-term.

Review of Operations

Botswana is the top diamond producing country by value of diamonds sold in 2014, at US$3.6 billion, due to high value diamonds averaging US$156/ct.

There are 13 known kimberlite fields located in Botswana, including approximately 400 kimberlite pipes of which 8 pipes are currently active or recently active diamond mines: Jwaneng, Orapa, Letlhakane, Damtshaa, AK6 (Karowe), Gope, Lerala and BK11. The four biggest diamond deposits in the country (Jwaneng, Orapa, Letlhakane and Damtshaa) are operated by Debswana, De Beers (50%) and the Government of the Republic of Botswana (50%). Two of the biggest diamond mines in the world (Jwaneng and Orapa) produce more than 20 m. cts.

The Jwaneng Mine was discovered in 1972 by De Beers. In 1978 an agreement was signed between the Government of Botswana and De Beers for the development of the mine, which was officially opened in August, 1982. Today, the depth of the mine is about 250 m. The open-pit life of the mine is planned up to 2025.

The Orapa Mine was discovered in 1967 and mining was started in July 1971 at a grade of 70/80 cpht. Jewellery-quality stones comprise 15%, semi-jewellery- 45% and industrial - 40%. The pipe is explored to the depth of 300 m and is mined by open-pit method.

The Letlhakane Deposit (pipes DK1, DK2), discovered by De Beers in the late 1960s, has been mined since 1975. Nowadays its annual production is about 1 m cts. The average diamond grade is relatively low at 25 cpht, but the diamonds are of high quality at about 150 USD/ct. The size of the largest stone discovered there is 170 cts. Mine working is likely open pit mining, the depth of the pit is more than 150 m. The ore is transported from the mine to the processing plant of Orapa (AK1) pipe.

The Damtshaa Mine consists of four relatively small kimberlite pipes: BK9 (11 ha), BK1 (5 ha), BK12 (3 ha), BK15 (2.5 ha), which were discovered in the 1960s-1970s. At present time one mine - pipe BK9, put into development in 2002, is under operation. Full capacity was reached in March 2003. Damtshaa Mine is small and therefore it is controlled from the Orapa mine. According to projections, the deposit will produce 5 m cts of diamonds during the period of 31 years, i.e. about 0.161 m. cts/year. The average diamond grade was 24 cpht. The estimated value of diamonds is about $80 USD/ct.

Figure 1 – The Northern Section of Pit at Karowe Mine (AK6 pipe)

Review of Operations *(continued)*

The AK-6 mine (Karowe) is situated in the southern part of the Orapa kimberlite field and is one of the youngest deposits in the world. First diamonds were recovered in July 2012. The maximum pit depth in the northern part of the body is about 50 m, diameter is around 400 m (Figure 1).

AK6 pipe (Karowe mine), discovered and abandoned in 1971 by De Beers. The geophysical anomaly was explored by African Diamonds (predecessor of Botswana Diamonds) in 2004 and sold to Lucara of Canada in 2010. The size of the body, consisting of three pipes, varies from 3.3 ha to 7 ha at a depth of 120 m. The upper section of pipe is overlapped by calcrete (up to 8-10 m.) and weathered rocks with thickness of up to 70 m. Ore reserves in the deposit comprise 38 m.t with an average grade of 22 cpht. An open pit to a depth of 450 m is planned for 15 years, with annual production of 2.5 m.t of ore. The average diamond price was $270 USD/ct. The largest stone, discovered during the process of exploration, had a size of 40 cts. Recently a 348cts stone has been recovered. Ore processing scheme includes crusher with capacity of 350 t/h, autogenous grinding mill, DMS (220 t/h), X-ray luminescent separators, designed for additional recovery of nitrogen-free diamonds of type IIb, and manual picking of diamonds. Ore

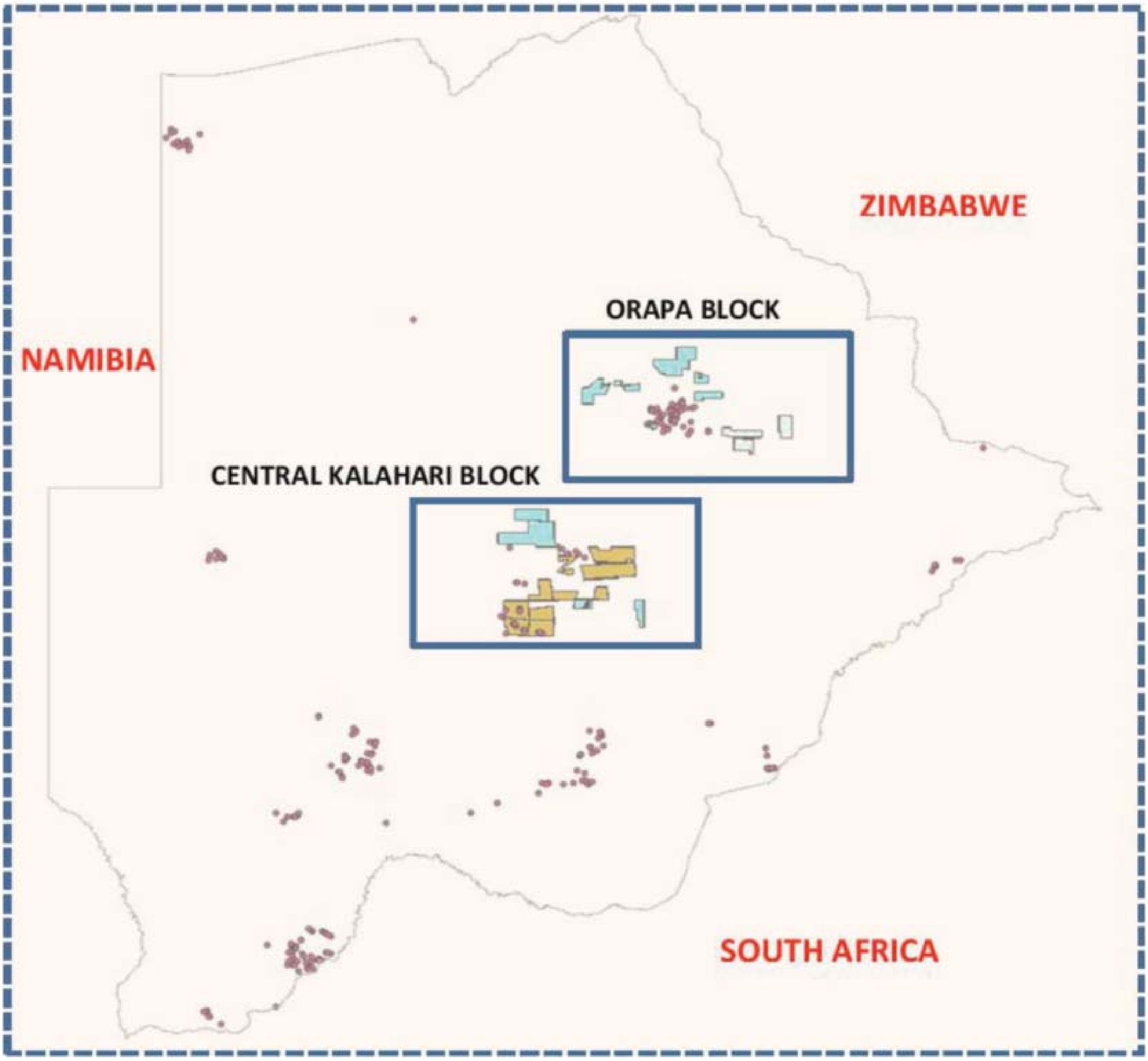


Figure 2 – Licences Botswana Diamonds has an interest in

Sunland Joint Venture	*Blue*
Wholly Owned Licences	*White with Blue Dots*
Brightstone	*Brown*

Review of Operations *(continued)*

treatment is an autogenous grinding mill, developed in Russia. This is being used for the first time in African mines.

The capital cost of the mining and processing plant, which employs 300 people by shift method (rotational), is about US$120 m.

In November 2012, Lucara reported the discovery of a rare blue diamond of type II of 9.46 cts. The company reported that it was the first diamond of such specific features ever found on the territory of Botswana. It was sold at auction in Gaborone for US$4.5 m.

Ore reserves to the depth of 400 m are estimated at 48.5 m t (11.6 m cts) with an average grade of 24 cpht; at depths of 400-700 m – 22.28 m t. The estimated capacity of the mine is 2.5-4.5 m of ore or on average- 1 m. carats of annual production.

In 2014 430 292 cts were produced at an average price of US$644/ct. Currently it is the most successful project in the world: with value of ore from a ton being around US$150, the total costs of mining are US$28/t. This is due to the presence of a high proportion of large stones including Type 11a. These are very high value stones per carat.

TECHNICAL OPERATIONS

Botswana Diamonds has interests in 27 licences. 14 are in a 50% joint venture with Alrosa, 3 licences are wholly owned by BOD and 10 licences are operated by BCL and we have a 15% indirect interest.

Of the 17 licences where we have a direct interest 10 are located in the Orapa Region and 7 in the Central Kalahari (Gope) Region, near the Ghagoo Diamond Mine and the recently discovered KX36 diamond deposit (Figure 2). Five other diamondiferous kimberlites have also been recently discovered in the Central Kalahari Block by Maibwe Mining, the BCL joint venture company. Figure 3 shows our interests in Orapa and Figure 4 shows our interests in Gope.

Five of these licenses were awarded in September and November 2015. These are PL 260/2015 in the Orapa block and PLs232 to 235/2015 in the Central Kalahari (Gope) block near the Ghagoo mine and the KX36 project. Data collection and evaluation is ongoing on these new licences. The licence PL 260 in the Orapa block has three known pipes, AK21, AK22 and AK23 that need to be re-evaluated. The Company has a stake in 10 licences of the Maibwe Joint Venture in the Gope Block shown in brown on Figure 4.

SUNLAND MINERALS OPERATIONAL REVIEW

The founders of the joint venture are ALROSA Overseas, a subsidiary of ALROSA, and Atlas Minerals, a subsidiary of Botswana Diamonds (BOD).

The creation of the joint venture was preceded by completing an extensive review of data held by BOD in order to select areas which are promising for the discovery of diamond-bearing kimberlite pipes. There is a Technical Cooperation Agreement between ALROSA and Botswana Diamonds sharing costs on a 50/50 basis.

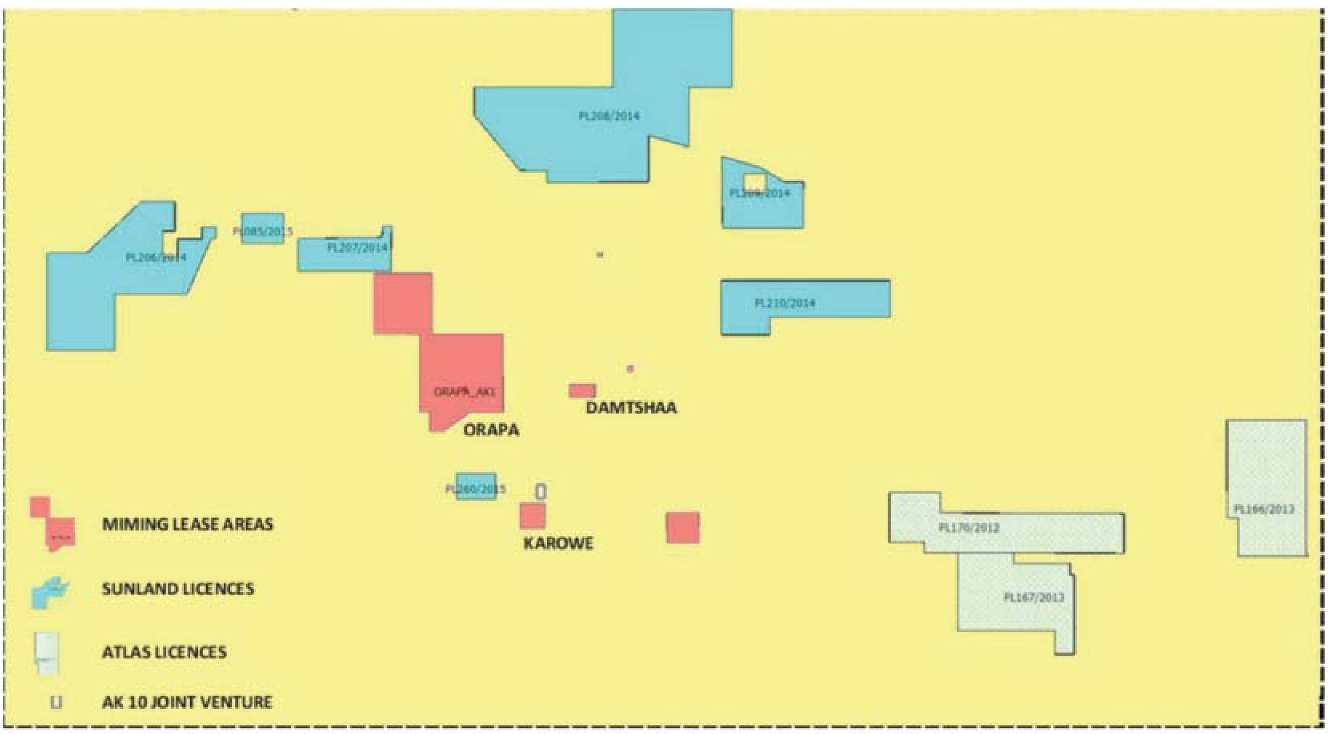


Figure 3 – Licences Botswana Diamonds has an interest in located in the Orapa Area of Botswana

Review of Operations *(continued)*

Prospecting works were carried out in four phases: 2014 - February-August and September-December; 2015 - January-June and September-October. The exploration programme was supervised by the Chief Geologist of Alrosa.

Each phase included:

1) Preparation of the project
2) Field works in Botswana
3) Data processing and analysis
4) Preparation of the report and recommendations for the next period.

In February-March 2014 (the first phase of field work) specialists from Sunland Minerals carried out ground geophysical works and heavy concentrate small volume sampling of surface sediments on areas PL 117, PL 167 and adjacent promising areas to the west of the Orapa field. Areas had been selected earlier in the context of ALROSA research on a range of complex of geological, geophysical and mineralogical data.

In September-October 2014 (the second phase of field work) in northeast Botswana the team carried out a complex of prospecting works on areas PL 206, PL 207, PL 208, PL 209, PL 210 and PL 117, which included ground based geophysical surveys, heavy concentrate and hard rock sampling of sediments of Kalahari Formation, mineralogical research, core drilling (450m), and analysis of the drill core. Areas PL 206 and PL 207 had been selected earlier on the basis of mineralogical data held by BOD and additional heavy concentrate sampling provided by the Sunland Minerals team. Areas PL 208, PL 209 and PL 210 were explored after an analysis of results of structural-tectonic data of the territory. The licences are situated within the Cretaceous zone of tectonic and magmatic activity, within which many kimberlite fields of Botswana are located, including the tier one Orapa field.

As a result of this work the next phase focused on three licences PL 206, PL 207 and PL 210.

In March-April 2015 (the third phase of field work) a team of eight geologists and mineralogists undertook a complex programme of prospecting, which included ground geophysical surveys and heavy concentrate and hard rock sampling of sediments of Kalahari Formation. Mineralogical studies were carried out on site. PL 210 was prospected according to the results of structural-tectonic analysis of the territory. All promising areas are situated within the Cretaceous zone of tectonic and magmatic activity. Heavy concentrate sampling and mineralogical research were carried out also on adjacent areas.

In September and October, 2015 (the fourth phase of field work) Sunland Minerals continued exploration on prospecting licences PL 085/2015, and PL 210/2014 in the Orapa Block (Figure 3) and prospecting licences PL 135 – 137/2015 in the Central Kalahari Block in the vicinity of Ghagoo Mine

The work comprised ground magnetic surveys, transient electromagnetic survey, heavy concentrate and hard rock sampling.

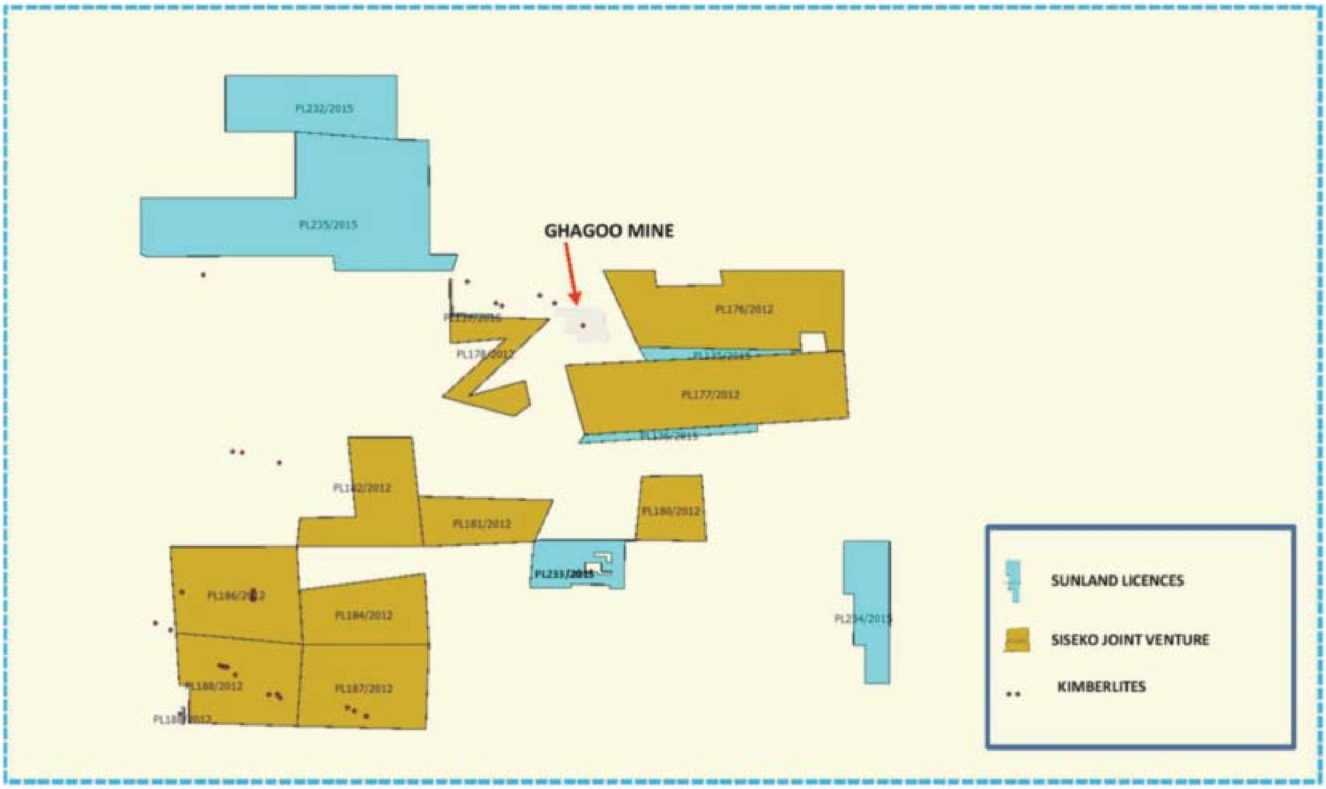


Figure 4 – Licences Botswana Diamonds has an interest in located in the Central Kalahari Area of Botswana

Review of Operations *(continued)*

During the same period, drilling was conducted on a geophysical and geochemical anomaly on PL 210. A total of 330m was drilled on this anomaly but no kimberlite was intersected. The anomaly was caused by the presence of an olivine-rich ultramafic rock that is currently being analysed.

Licensed areas PL 085 and PL 210 are situated in close proximity to the Orapa diamond deposits AK1 (Orapa), Letlhakane, Damtshaa, Karowe (AK6) and BK11 while PLs 135 – 137 are in the vicinity of Ghagoo Mine in the Central Kalahari (Figure 2 and 4).

BRIGHTSTONE BLOCK

In 2013 BOD acquired rights over the Brightstone Block of 10 licences in the Gope area of the Kalahari Desert. BOD analysed available data and identified a series of targets in the southwest of the block and in the vicinity of the Ghagoo Mine in the north of the block. Alrosa also analysed the data. Given our work commitments we decided to focus on the Orapa licences.

In 2015 BCL, a large Botswana copper nickel miner, bought into the block and took over operatorship. BOD ended up with a 15% carried interest through exploration. Using their own analyses and information supplied by BOD they selected licence 186 in the southwest of the block as their initial focus. Licence 186 had extensive KIMs and known kimberlites from previous drilling – though all were thought to be barren. A drilling campaign on 186 was undertaken in H1 2015. It is believed that new kimberlites were discovered, which are believed to contain diamonds. An announcement is awaited. Figure 5 shows the results from earlier work.

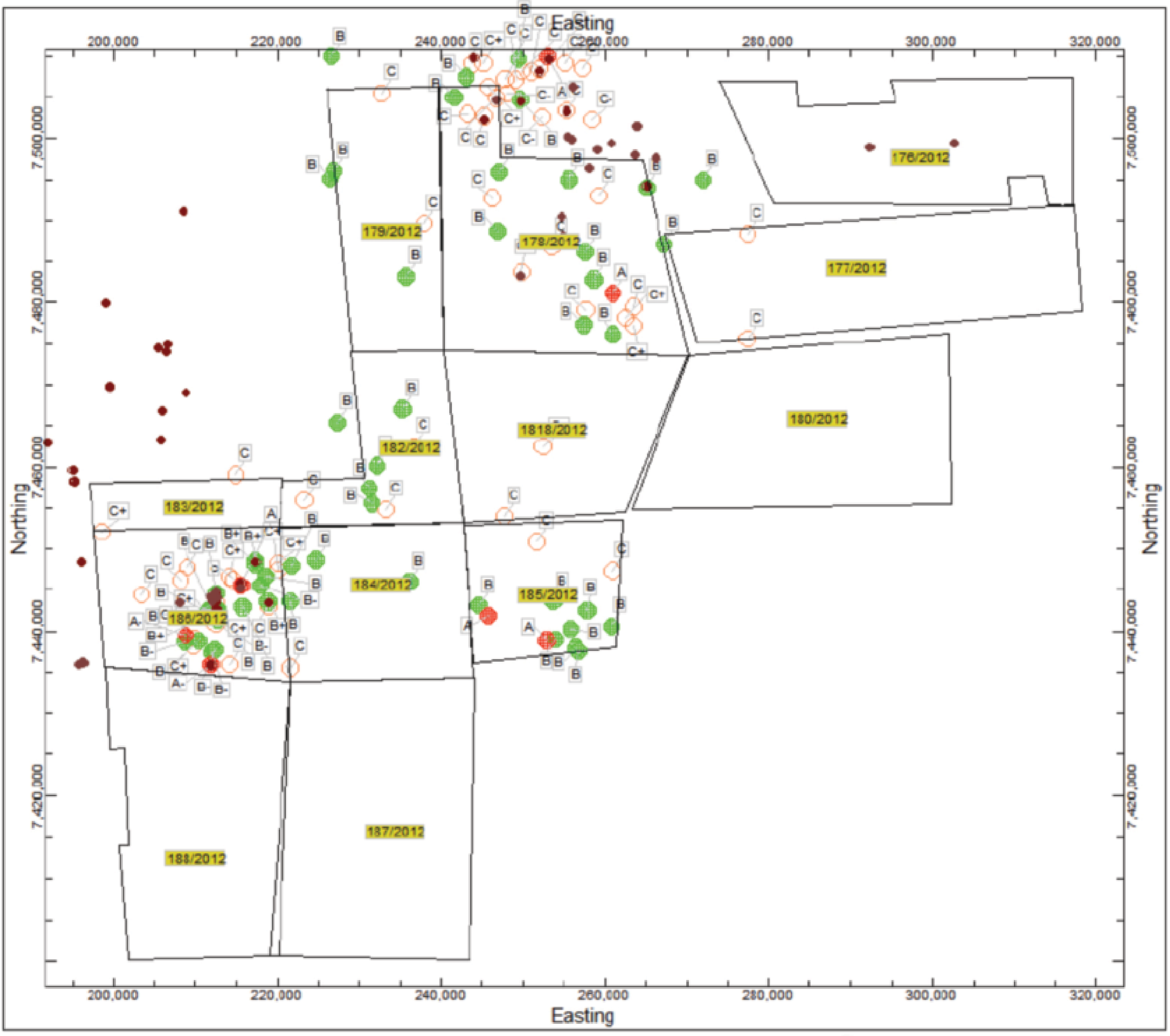


Figure 5 – Results of Earlier Work on the Brightstone Block

Strategic Report

The directors present their annual reports and the audited financial statements of the Group and Company for the year ended 30 June 2015.

STRATEGY

Our strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Group's management expects to continue to use its expertise to acquire further licence interests for diamond exploration and development. The Group has exploration interests in Botswana. The Group also holds an investment in Stellar Diamonds plc which operates in Sierra Leone and Guinea.

BUSINESS REVIEW

Botswana Diamonds plc is a UK registered Company, focused on diamond exploration and development. Further information concerning the activities of the Group and its future prospects is contained in the Chairman's Statement and the Review of Operations.

The consolidated loss for the year after taxation was £339,529 (2014: £948,610).

The directors do not propose that a dividend be paid.

FURTHER DEVELOPMENTS

The directors intend to continue their involvement with the licences as disclosed in the Chairman's Statement and Review of Operations. They continue to seek further acquisition opportunities in relation to diamond exploration.

KEY PERFORMANCE INDICATORS

The Group's main key performance indicators include measuring:

- ability to raise finance on the alternative investment market; and
- quantity and quality of potential diamond reserves identified by the Group.

In addition, the Group reviews expenditure incurred on exploration projects and ongoing operating costs. As detailed in Note 3 the directors are examining options available to them for the raising of additional finance and expect that adequate resources will become available to meet the Group's committed obligations as they fall due.

IMPAIRMENT

The directors monitor and assess the recoverability of intangible assets and successful development of economic reserves. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

GOING CONCERN

Refer to Note 3 for details in relation to Going Concern.

Strategic Report *(continued)*

RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectations. The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk. The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risk	Nature of risk and mitigation
Licence obligations	Operations must be carried out in accordance with the terms of each licence agreed with the relevant ministry for natural resources in the host country. Typically, the law provides that operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such licences or fails to make timely payments of relevant levies and taxes. The Group has regular communication and meetings with relevant government bodies to discuss future work plans and receive feedback from those bodies. Country Managers in each jurisdiction monitor compliance with licence obligations and changes to legislation applicable to the Company and reports as necessary to the Board.
Requirement for further funding	The Group may require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy. The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting.
Geological and development risks	Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves. The Group activities in Botswana are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.
Title to assets	Title to diamond assets in Botswana can be complex. The Directors monitor any threats to the Group's interest in its licences and employ the services of experienced and competent lawyers in relevant jurisdictions to defend those interests, where appropriate.
Exchange rate risk	The Group's expenses, which are primarily to contractors on exploration and development, are incurred primarily in Sterling, US Dollars and the Botswana Pula. The Group's policy is to conduct and manage its operations in Sterling and therefore it is exposed to fluctuations in the relative values of the other currencies. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency.
Political risk	The Group holds assets in Botswana and South Africa and therefore the Group is exposed to country specific risks such as the political, social and economic stability of these countries. The countries in which the Group operates are encouraging foreign investment. The Group's projects are longstanding and we have established strong relationships with local and national government which enable the Group to monitor the political and regulatory environment.
Financial risk management	Details of the Group's financial risk management policies are set out in Note 22.

Strategic Report *(continued)*

RISKS AND UNCERTAINTIES *(continued)*

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings.

CORPORATE SOCIAL RESPONSIBILITY

The Group is subject to best practice standards and extensive regulations, which govern environmental protection. The Group is committed to uphold these standards and regulations as a minimum and to keep these important matters under continuous review. When appropriate, adequate action and provision is immediately taken to ensure full compliance with the standards expected of an international exploration and development Company.

The Group works towards positive and constructive relationships with government, neighbours and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment that enables them to maintain a reasonable lifestyle for themselves and their families.

SUPPLIER PAYMENT POLICY

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Trade payable days for Group and Company for the year were 30-40 days.

APPROVAL OF THE BOARD

This Strategic Report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the natural resources exploration industry. While the directors believe the expectation reflected within the Annual Report to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control, for example owing to a change of plan or strategy.

Accordingly, no reliance may be placed on the forward-looking statements.

On behalf of the Board:

John Teeling
Chairman

18 November 2015

Directors' Report

DIRECTORS

The current directors are listed on the inside back cover. Anne McFarland was appointed director on 1 September 2014.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors holding office at 30 June 2015 had the following interests in the ordinary shares of the Company:

		30 June 2015		1 July 2014 (or date of appointment if later)	
	Nationality	**Ordinary Shares of £0.01 each Shares Number**	**Ordinary Shares of £0.01 each Options Number**	Ordinary Shares of £0.01 each Shares Number	Ordinary Shares of £0.01 each Options Number
John Teeling	Irish	**36,625,418**	**2,500,000**	26,869,320	2,500,000
James Finn	Irish	**14,441,739**	**2,000,000**	10,970,820	2,000,000
David Horgan	Irish	**9,878,084**	**2,000,000**	8,095,720	2,000,000
Robert Bouquet	English	**-**	**250,000**	-	250,000
Anne McFarland	Irish	**-**	**250,000**	-	-

There were no share options exercised by the directors during the year (2014: Nil).

DIRECTORS' REMUNERATION REPORT

The remuneration of the directors for the years ended 30 June 2015 and 30 June 2014 was as follows:

	SALARIES AND FEES	
	2015	2014
	£	£
John Teeling	**65,000**	100,000
James Finn	**35,000**	40,000
David Horgan	**20,000**	20,000
Robert Bouquet	**30,223**	49,579
Anne McFarland	**2,955**	-

Directors' Remuneration is disclosed in Note 6 of these financial statements.

SUBSTANTIAL SHAREHOLDINGS

The share register records that the following shareholders, excluding directors, held 3% or more of the issued share capital of the Company as at 30 June 2015 and 9 November 2015:

	30 June 2015		9 November 2015	
	No. of shares	**%**	No of shares	%
Rene Nominees (IOM) Limited	**17,729,784**	**7.40%**	17,729,784	7.40%
WB Nominees Limited	**10,914,144**	**4.56%**	11,139,725	4.65%
HSBC Global Custody Nominee (UK) Limited	**10,171,750**	**4.25%**	10,171,750	4.25%
Smith & Williamson Nominees Limited	**7,684,440**	**3.21%**	7,684,440	3.21%
Pershing International Nominees Limited (DSCLT)	**7,426,285**	**3.10%**	7,282,785	3.04%
Barclayshare Nominees Limited	**7,403,035**	**3.09%**	7,290,541	3.04%

Directors' Report *(continued)*

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 18 December 2015 in accordance with the Notice of Annual General Meeting on page 45 of the annual report. Details of the resolutions to be passed are included in the Notice.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made no political or charitable donations during the year.

CAPITAL STRUCTURE

Details of the authorised and issued share capital, together with details of movements in the Company's issued share capital during the year are shown in Note 17. The Company has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. With regard to the appointment and replacement of directors, the Company is governed by the Articles of Association, the Companies Act and related legislation.

DIRECTORS' INDEMNITIES

The Company does not currently maintain directors' or officers' liability insurance.

POST BALANCE SHEET EVENTS

There are no material post balance sheet events affecting the Group.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte will be proposed at the forthcoming Annual General Meeting.

By order of the Board and signed on its behalf by:

James Finn
Secretary

John Teeling
Director

18 November 2015

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent Company financial statements under IFRSs as adopted by the EU. Under Company law the directors must not approve the accounts 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

Independent Auditor's Report

to the members of Botswana Diamonds Plc

We have audited the financial statements of Botswana Diamonds plc for the year ended 30 June 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes In Equity, the Company Statement of Changes In Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and the related notes 1 to 23. 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 and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

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

Emphasis of Matter – Realisation of Assets and Going Concern
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in:

- Notes 10, 11, and 14 to the financial statements concerning the valuation of intangible assets, investments in subsidiaries amounts due by Group undertakings. The realisation of the intangible assets of £6,169,129 included in the consolidated balance sheet and intangible assets of £3,404,188, investments in subsidiaries of £500,017 and amounts due by Group undertakings of £2,293,031 included in the Company balance sheet are dependent on the discovery and successful development of economic diamond reserves and the ability of the Group to raise sufficient finance to develop the projects. The financial statements do not include any adjustments relating to these uncertainties, and the ultimate outcome cannot, at present, be determined.

Independent Auditor's Report

to the members of Botswana Diamonds Plc *(continued)*

Opinion on financial statements *(continued)*

Emphasis of Matter – Realisation of Assets and Going Concern (continued)

- Note 3 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss of £372,502 during the year ended 30 June 2015. This condition indicates the existence of a material uncertainty in respect of the Group's ability to continue as a going concern. The going concern assumption of the Group is dependent on the Group obtaining additional finance to meet its working capital needs for a period of not less than twelve months from the date of approval of the financial statements. The directors have prepared the financial statements of the Group on the basis that the Group is a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the Group financial statements, the Group, in addition to complying with its legal obligation to IFRS as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Emer O'Shaughnessy, (Senior Statutory Auditor)
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm

Deloitte & Touche House
Earlsfort Terrace
Dublin 2

18 November 2015

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	**2015** £	2014 £
Administrative expenses	4	**(335,529)**	(434,768)
Impairment of exploration and evaluation assets	10	**-**	(615,796)
OPERATING LOSS		**(335,529)**	(1,050,564)
Profit on disposal of investment	12	**-**	100,454
(Loss)/profit on investment held at fair value	13	**(4,000)**	1,500
LOSS FOR THE YEAR BEFORE TAXATION		**(339,529)**	(948,610)
Income tax expense	8	**-**	-
LOSS AFTER TAXATION		**(339,529)**	(948,610)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		**(32,973)**	(76,793)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(372,502)**	(1,025,403)
Loss per share – basic	5	**(0.16p)**	(0.57p)
Loss per share – diluted	5	**(0.16p)**	(0.57p)

Consolidated Balance Sheet

as at 30 June 2015

	Notes	**30/06/2015**	30/06/2014
		£	£
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	10	**6,169,129**	5,866,467
Investment in associate	12	**-**	-
Financial assets	13	**8,000**	12,000
		6,177,129	5,878,467
CURRENT ASSETS			
Other receivables	14	**16,428**	65,445
Cash and cash equivalents	15	**175,850**	419,880
		192,278	485,325
TOTAL ASSETS		**6,369,407**	6,363,792
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	16	**(120,475)**	(176,934)
TOTAL LIABILITIES		**(120,475)**	(176,934)
NET ASSETS		**6,248,932**	6,186,858
EQUITY			
Called-up share capital	17	**2,394,876**	1,962,283
Share premium	17	**7,825,081**	7,824,825
Share based payment reserves	18	**89,908**	88,181
Retained deficit		**(2,897,660)**	(2,558,131)
Translation reserve		**(179,986)**	(147,013)
Other reserve		**(983,287)**	(983,287)
TOTAL EQUITY		**6,248,932**	6,186,858

The financial statements of Botswana Diamonds plc, registered number 07384657, were approved by the Board of Directors on 18 November 2015 and signed on its behalf by:

John Teeling
Director

Company Balance Sheet

as at 30 June 2015

	Notes	**30/06/2015 £**	30/06/2014 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	10	**3,404,188**	3,313,980
Investment in subsidiaries	11	**500,017**	500,017
Financial assets	13	**8,000**	12,000
		3,912,205	3,825,997
CURRENT ASSETS			
Other Receivables	14	**2,306,831**	2,112,322
Cash and cash equivalents	15	**134,582**	403,317
		2,441,413	2,515,639
TOTAL ASSETS		**6,353,618**	6,341,636
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	16	**(104,686)**	(154,778)
NET ASSETS		**6,248,932**	6,186,858
EQUITY			
Called-up share capital	17	**2,394,876**	1,962,283
Share premium	17	**7,825,081**	7,824,825
Share based payment reserves	18	**89,908**	88,181
Retained deficit		**(3,077,646)**	(2,705,144)
Other reserve		**(983,287)**	(983,287)
TOTAL EQUITY		**6,248,932**	6,186,858

The financial statements of Botswana Diamonds plc, registered number 07384657, were approved by the Board of Directors on 18 November 2015 and signed on its behalf by:

John Teeling
Director

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Translation Reserve £	Other Reserve £	Total £
At 30 June 2013	1,382,823	7,111,556	83,228	(1,729,523)	(70,220)	(983,287)	5,794,577
Share based payment	-	-	4,953	-	-	-	4,953
Issue of shares	579,460	869,190	-	-	-	-	1,448,650
Share issue expenses	-	(35,919)	-	-	-	-	(35,919)
Warrants issued	-	(120,002)	120,002	-	-	-	-
Transfer to retained deficit	-	-	(120,002)	120,002	-	-	-
Loss for the year and total comprehensive income	-	-	-	(948,610)	(76,793)	-	(1,025,403)
At 30 June 2014	1,962,283	7,824,825	88,181	(2,558,131)	(147,013)	(983,287)	6,186,858
Share based payment	**-**	**-**	**1,727**	**-**	**-**	**-**	**1,727**
Issue of shares	**432,593**	**9,907**	**-**	**-**	**-**	**-**	**442,500**
Share issue expenses	**-**	**(9,651)**	**-**	**-**	**-**	**-**	**(9,651)**
Loss for the year and total comprehensive income	**-**	**-**	**-**	**(339,529)**	**(32,973)**	**-**	**(372,502)**
At 30 June 2015	**2,394,876**	**7,825,081**	**89,908**	**(2,897,660)**	**(179,986)**	**(983,287)**	**6,248,932**

Share Premium

The share premium comprises of a premium arising on the issue of shares.

Share Based Payment Reserve

The share based payment reserve arises on the grant of share options under the share option plan.

Retained Deficit

Retained deficit comprises of losses incurred in the current and prior year.

Other Reserve

During 2010 the Company acquired certain assets and liabilities from African Diamonds plc, a Company under common control. In accordance with accounting standards the assets and liabilities acquired were recognised at their book value and no goodwill was recognised on acquisition. The difference between the book value of the assets acquired and the purchase consideration was recognised directly in reserves.

Translation Reserve

The translation reserve arises from the translation of foreign operations.

Company Statement of Changes in Equity

for the year ended 30 June 2015

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Other Reserve £	Total £
At 30 June 2013	1,382,823	7,111,556	83,228	(1,799,743)	(983,287)	5,794,577
Share based payment	-	-	4,953	-	-	4,953
Issue of shares	579,460	869,190	-	-	-	1,448,650
Share issue expenses	-	(35,919)	-	-	-	(35,919)
Warrants issued	-	(120,002)	120,002	-	-	-
Transfer to retained deficit	-	-	(120,002)	120,002	-	-
Loss for the year and total comprehensive income	-	-	-	(1,025,403)	-	(1,025,403)
At 30 June 2014	1,962,283	7,824,825	88,181	(2,705,144)	(983,287)	6,186,858
Share based payment	**-**	**-**	**1,727**	**-**	**-**	**1,727**
Issue of shares	**432,593**	**9,907**	**-**	**-**	**-**	**442,500**
Share issue expenses	**-**	**(9,651)**	**-**	**-**	**-**	**(9,651)**
Loss for the year and total comprehensive income	**-**	**-**	**-**	**(372,502)**	**-**	**(372,502)**
At 30 June 2015	**2,394,876**	**7,825,081**	**89,908**	**(3,077,646)**	**(983,287)**	**(6,248,932)**

Share Premium
The share premium comprises of a premium arising on the issue of shares.

Share Based Payment Reserve
The share based payment reserve arises on the grant of share options under the share option plan.

Retained Deficit
Retained deficit comprises of losses incurred in the current and prior year.

Other Reserve
During 2010 the Company acquired certain assets and liabilities from African Diamonds plc, a Company under common control. In accordance with accounting standards the assets and liabilities acquired were recognised at their book value and no goodwill was recognised on acquisition. The difference between the book value of the assets acquired and the purchase consideration was recognised directly in reserves.

Consolidated Cash Flow Statement

for the year ended 30 June 2015

	Notes	**30/06/2015** £	30/06/2014 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		**(339,529)**	(948,610)
Share option charge		**1,299**	1,575
Loss/(Profit) on investment held at fair value		**4,000**	(1,500)
Foreign exchange gains		**(33,537)**	(57,178)
Impairment of exploration and evaluation assets		**-**	615,796
		(367,767)	(389,917)
MOVEMENTS IN WORKING CAPITAL			
Increase in trade and other payables		**96,041**	160,801
Decrease/(Increase) in trade and other receivables		**49,017**	(52,734)
NET CASH USED IN OPERATING ACTIVITIES		**(222,709)**	(281,850)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration costs capitalised		**(294,734)**	(245,808)
Disposal of investment		**-**	100,000
NET CASH USED IN INVESTING ACTIVITIES		**(294,734)**	(145,808)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		**282,500**	847,650
Share issue costs		**(9,651)**	(35,919)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**272,849**	811,731
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(244,594)**	384,073
Cash and cash equivalents at beginning of the financial year		**419,880**	39,480
Effect of foreign exchange rate changes		**564**	(3,673)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15	**175,850**	419,880

Company Cash Flow Statement

for the year ended 30 June 2015

	Notes	**30/06/2015** £	30/06/2014 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		**(339,529)**	(948,610)
Share option charge		**1,299**	1,575
Loss/(Profit) on investment held at fair value		**4,000**	(1,500)
Foreign exchange gains		**(564)**	3,673
Provision for intercompany receivable		**(32,973)**	(76,793)
Impairment of exploration and evaluation assets		**-**	197,232
Impairment of intercompany receivable		**-**	417,189
Impairment of investment in subsidiary		**-**	1,375
		(367,767)	(405,859)
MOVEMENTS IN WORKING CAPITAL			
Increase in trade and other payables		**102,408**	159,751
Increase in trade and other receivables		**(194,509)**	(97,738)
NET CASH USED IN OPERATING ACTIVITIES		**(459,868)**	(343,846)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration costs capitalised		**(82,280)**	(185,906)
Disposal of investment		**-**	100,000
NET CASH USED IN INVESTING ACTIVITIES		**(82,280)**	(85,906)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		**282,500**	847,650
Share issue costs		**(9,651)**	(35,919)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**272,849**	811,731
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(269,299)**	381,979
Cash and cash equivalents at beginning of the financial year		**403,317**	25,011
Effect of foreign exchange rate changes		**564**	(3,673)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15	**134,582**	403,317

Notes to the Financial Statements

for the year ended 30 June 2015

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and Company are summarised below:

(i) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in sterling pounds and comply with the Companies Act 2006.

(ii) Statement of compliance

The financial statements of Botswana Diamonds plc and all its subsidiaries (the Group) have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union.

(iii) Basis of consolidation

The consolidated financial statements comprise the financial statements of Botswana Diamonds plc and its subsidiaries as at 30 June 2015. Subsidiaries are fully consolidated from the date of acquisition, being the date which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intragroup balances, income and expenses and unrealized gains and losses resulting from intragroup transactions are eliminated in full.

(iv) Investment in subsidiaries

The Company's investments in subsidiaries are stated at cost, less any accumulated impairment losses.

(v) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(vi) Operating loss

Operating loss represents revenue less cost of sales, administrative expenses and listing expenses. It is stated before finance revenue, finance costs and fair value gains/losses on financial assets.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(vii) Foreign currencies

The presentation currency of the Group financial statements is pounds sterling and the functional currency and the presentation currency of the parent Company is pounds sterling. The individual financial statements of each Group company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, the presentation currency.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Statement of Comprehensive Income for the year, other than when a monetary item forms part of a net investment in a foreign operation; then exchange differences on that item are recognised in equity. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Statement of Comprehensive Income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

(viii) Intangible fixed assets

Exploration and evaluation assets

Exploration expenditure relates to the initial search for deposits with economic potential in Botswana and South Africa. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration rights and costs incurred in exploration and evaluation activities are capitalised as part of exploration and evaluation assets.

Exploration costs are capitalised until technical feasibility and commercial viability of extraction of reserves are demonstrable. Exploration costs include an allocation of administration and salary costs (including share based payments) attributable to exploration activities as determined by management.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Prior to reclassification to property, plant and equipment, exploration and evaluation assets are assessed for impairment, and any impairment loss recognised immediately in the Statement of Comprehensive Income.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(viii) Intangible fixed assets *(continued)*

Impairment of intangible assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The Company reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

a) the period for which the Group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
b) substantive expenditure on further exploration for and evaluation of diamond resources in the specific area is neither budgeted nor planned;
c) exploration for an evaluation of diamond resources in the specific area have not led to the discovery of commercially viable quantities of diamond resources and the Group has decided to discontinue such activities in the specific area; and
d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(ix) Financial Instruments

Financial instruments are recognised in the Group and Company's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Where the fair value of a financial asset can be reliably measured the financial asset is initially recognised at fair value through the profit and loss account. At each balance sheet date gains or losses arising from a change in fair value are recognised in the Statement of Comprehensive Income, as other gains or losses.

Financial assets for which the fair value cannot be reliably measured are carried at cost.

Cash

Cash comprises cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into, mainly trade payables and accruals.

Receivables

Receivables are measured at initial recognition at invoice value, which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Consolidated Statement of Comprehensive Income when there is objective evidence that the carrying value of the asset exceeds the recoverable amount.

Receivables are classified as loans and receivables which are subsequently measured at amortised cost, using the effective interest method.

Trade payables and accruals

Trade payables are classified as financial liabilities, are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(x) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The current tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries and associates, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(xi) Share based payments

The Group issues equity-settled share based payments only to certain employees and directors. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest and adjusted for the effect of market based vesting conditions.

Where the value of the goods or services received in exchange for the share based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(xii) Warrants

Proceeds from the issuance of warrants, net of issue costs, are credited to the warrants reserve. The warrants reserve is non-distributable and will be transferred to the share premium account upon the exercise of warrants. The balance of the warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to accumulated profits.

(xiii) Accounting for business combinations of entities under common control

Assets and liabilities acquired in a business combination under common control are recognised at value carried by the predecessor owner under IFRS. No goodwill is recognised on the acquisition. Internally generated intangible assets and other items carried at zero by the predecessor remain unrecognised following acquisition. Expenses arising on the common control transaction are charged as administrative expenses as incurred in the Statement of Comprehensive Income. The difference between the share of net assets acquired and the purchase consideration is recognised directly in equity.

(xiv) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation expenditure

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Botswana and South Africa. The Group's exploration activities are subject to a number of significant and potential risks including:

- price fluctuations;
- foreign exchange risks;
- uncertainties over development and operational costs;
- political and legal risks, including arrangements with governments for licenses, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- liquidity risks;
- funding risks;
- going concern; and
- operational and environmental risks.

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off to the Statement of Comprehensive Income.

Impairment of intangible assets

The assessment of intangible assets for any indications of impairment (1.(viii)) involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

The assessment requires judgement as to: the likely future commerciality of the asset and when such commerciality should be determined; future revenues; capital and operating costs, and the discount rate to be applied to such revenues and costs.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(xiv) Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical judgements in applying the Group's accounting policies (continued)

Deferred tax assets

The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. No deferred tax has been recognised.

Going concern

The assessment of the Group's ability to execute its strategy by funding future working capital requirements involves judgement. Further information regarding going concern is outlined in Note 3.

Recoverability of amount due from subsidiaries

The carrying value of amounts due by Group undertakings is dependent on the successful discovery and development of economic diamond resources and the ability of the Group to raise sufficient finance to develop the projects.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of intangible assets

The assessment of intangible assets for any indication of impairment involves uncertainty. There is uncertainty as to whether the exploration activity will yield any economically viable discovery. Aspects of uncertainty surrounding the Group's intangible assets include the amount of potential reserves, ability to be awarded exploration licences, and the ability to raise sufficient finance, to develop the Group's projects. If the directors determine that an intangible asset is impaired, an allowance is recognised in the Statement of Comprehensive Income.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Group is the Black-Scholes valuation model. The share based payment expense during the year was immaterial.

(xv) Comparatives

Prior year comparatives have been reclassified to conform with current year presentation.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group did not adopt any new International Financial Reporting Standards (IFRS) or Interpretations in the year that had a material impact on the Group's Financial Statements. The following IFRS became effective since the last Annual Report but had no material impact on the Financial Statements:

Annual Improvements to IFRSs: 2011-2013 Cycle	1 July 2014
Annual Improvements to IFRSs: 2010-2012 Cycle	1 July 2014
Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions	1 July 2014

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

	Effective date
Amendments to IAS 1 (Dec 2015) – Disclosure Initiative	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 (Dec 2015) – Investment Entities Applying the Consolidation Exception	1 January 2016
Annual Improvements to IFRSs: 2012-2014 Cycle	1 January 2016
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to IAS 27 - Equity Method in Separate Financial Statements	1 January 2016
IFRS 9 – Financial Instruments	1 January 2018
Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants	1 January 2016
IFRS 15 - Revenue from Contracts with Customers	1 January 2017
Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IFRS 11 (May 2014) - Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14 - Regulatory Deferral Accounts	1 January 2016

The Directors are currently assessing the impact in relation to the adoption of these Standards and Interpretations for future periods of the Group. However, at this point they do not believe they will have a significant impact on the financial statements of the Group in the period of initial application.

3. GOING CONCERN

The Group incurred a loss during the year ended 30 June 2015 of £372,502 after exchange differences on retranslation of foreign operations (2014: £1,025,403) and had a retained deficit of £2,897,660 (2014: £2,558,131) at the balance sheet date. These conditions represent a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

The directors have prepared cashflow projections and forecasts for a period of not less than 12 months from the date of this report which indicate that the group will require additional finance to fund working capital requirements and develop existing projects. Although it is not possible at this stage to predict whether financing efforts will be successful the directors are confident that they will be able to raise additional finance as required to meet the group's committed obligations as they fall due.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

4. LOSS BEFORE TAXATION

	2015	2014
	£	£
The loss before taxation is stated after charging:		
Auditor's remuneration	**20,000**	20,000
The analysis of auditor's remuneration is as follows:		
Fees payable to the Group's auditors for the audit of the Group's annual accounts	**18,000**	18,000
Fees payable to the Group's auditors and their associates for other services to the Group	**2,000**	2,000
Total audit fees	**20,000**	20,000

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

4. LOSS BEFORE TAXATION *(continued)*

	2015 £	2014 £
Administrative expenses comprise:		
Professional fees	**112,600**	125,410
Foreign exchange (gains)/losses	**(564)**	3,673
Directors' remuneration (Note 6)	**120,678**	159,579
Wages and salaries	**23,072**	43,299
Other administrative expenses	**78,444**	101,232
Share options valuation	**1,299**	1,575
	335,529	434,768

5. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the profit or loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets forth the computation for basic and diluted earnings per share (EPS):

	2015 £	2014 £
Numerator		
For basic and diluted EPS retained loss	**(339,529)**	(948,610)
	No.	No.
Denominator		
For basic and diluted EPS	**206,684,510**	166,923,653
Basic EPS	**(0.16p)**	(0.57p)
Diluted EPS	**(0.16p)**	(0.57p)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of shares for the purposes of the diluted earnings per share:

	No.	No.
Share options	**8,410,000**	8,160,000

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

6. RELATED PARTY AND OTHER TRANSACTIONS

Group and Company
Key Management Compensation and Directors' Remuneration

The remuneration of the directors, who are considered to be the key management personnel, is set out below.

	Salary or fees £	**Share based payments £**	**2015 Total £**	Salary or fees £	Share based payments £	2014 Total £
John Teeling	**65,000**	**-**	**65,000**	100,000	-	100,000
James Finn	**35,000**	**-**	**35,000**	40,000	-	40,000
David Horgan	**20,000**	**-**	**20,000**	20,000	-	20,000
Robert Bouquet	**30,223**	**-**	**30,223**	49,579	-	49,579
Anne McFarland	**2,955**	**1,299**	**4,254**	-	-	-
	153,178	**1,299**	**154,477**	209,579	-	209,579

All remunerations related to short term employee benefits.

The number of directors to whom retirement benefits are accruing is Nil.

Included in the above is £32,500 (2014: £50,000) of salary payments which were capitalised within exploration and evaluation assets.

Other

The Company shares offices and overheads with a number of other companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the year are set out below:

	Clontarf Energy Plc £	**Connemara Mining Company plc £**	**Petrel Resources plc £**	**Total £**
At 1 July 2013	2,710	(753)	(1,385)	572
Office and overhead costs recharged	24,614	(55,188)	(5,992)	(36,566)
Repayments	(10,133)	45,615	9,129	44,611
At 30 June 2014	17,191	(10,326)	1,752	8,617
Office and overhead costs recharged	**15,000**	**(27,860)**	**5,430**	**(7,430)**
Repayments	**(32,191)**	**38,186**	**(7,182)**	**(1,187)**
At 30 June 2015	**-**	**-**	**-**	**-**

Amounts due to and from the above companies are unsecured and repayable on demand.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

6. RELATED PARTY AND OTHER TRANSACTIONS *(continued)*

Company

At 30 June 2015 the following amounts were due to the Company by its subsidiaries:

	2015	2014
	£	£
Kukama Mining & Exploration (Pty) Ltd	**1,082,578**	1,176,955
Atlas Minerals (Pty) Ltd	**1,210,453**	877,845
	2,293,031	2,054,800

All movements during the year are due to monies advanced to fund exploration activities. An allowance of £179,986 (2014: £147,013) has been provided in respect of the amount due from Kukama Mining & Exploration (Pty) Ltd. The movement in the allowance during the year relates to an additional allowance provided for during the year. In determining the allowance to be recorded the company considered monies advanced during the year and the operations of the subsidiary.

Recoverability of amounts due from subsidiaries is dependent on the discovery and successful development of economic diamond reserves.

7. EMPLOYEE INFORMATION

The average number of persons employed by the Group and Company including directors during the year was:

	2015	2014
	Number	Number
Management and administration	**7**	6

	£	£
Staff costs for the above persons were:		
Wages and salaries	**190,258**	271,359
Share based payments	**1,299**	-
Pension costs	**-**	-
	191,557	271,359

Included in the above is £46,508 (2014: £68,481) of salary payments (including director costs) which were capitalised within exploration assets.

8. INCOME TAX EXPENSE

	2015	2014
	£	£
Current tax:		
Tax on loss	**-**	-
	-	-

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

8. INCOME TAX EXPENSE *(continued)*

	2015 £	2014 £
Factors affecting the tax expense:		
Loss on ordinary activities before tax	**(372,502)**	(948,610)
UK tax calculated at 20% (2014: 24%)	**(74,500)**	(227,666)
Effects of:		
Losses carried forward	**74,500**	227,666
Tax charge	**-**	-

No charge to corporation tax arises in the year due to losses incurred.

At the balance sheet date the Group had unused tax losses of £1,950,810 (2014: £1,579,607) which equates to an unrecognised deferred tax asset of £390,162 (2014: £315,921).

No deferred tax asset has been recognised due to the unpredictability of future profit streams.

9. SEGMENTAL ANALYSIS

Operating segments are identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker and the Group is organised into four segments: Botswana, Zimbabwe, Cameroon and as of 2015 South Africa.

9A. Segment revenue and segment result

Group	Segment Revenue 2015 £	Segment Result 2015 £	Segment Revenue 2014 £	Segment Result 2014 £
Botswana	-	-	-	-
South Africa	-	-	-	-
Zimbabwe	-	-	-	(170,735)
Cameroon	-	-	-	(445,061)
Total continuing operations	-	-	-	(615,796)
Unallocated head office	-	(339,529)	-	(332,814)
	-	(339,529)	-	(948,610)

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

9. SEGMENTAL ANALYSIS *(continued)*

9B. Segment assets and liabilities

Group	**Assets 2015 £**	**Liabilities 2015 £**	Assets 2014 £	Liabilities 2014 £
Botswana	**6,192,730**	**15,789**	5,890,954	22,156
South Africa	**20,297**	**-**	-	-
Total continuing operations	**6,213,027**	**15,789**	5,890,954	22,156
Unallocated head office	**156,380**	**104,686**	472,838	154,778
	6,369,407	**120,475**	6,363,792	176,934

Company	**Assets 2015 £**	**Liabilities 2015 £**	Assets 2014 £	Liabilities 2014 £
Botswana	**6,176,941**	**-**	5,868,798	-
South Africa	**20,297**	**-**	-	-
Total continuing operations	**6,197,238**	**-**	5,868,798	-
Unallocated head office	**156,380**	**104,686**	472,838	154,778
	6,353,618	**104,686**	6,341,636	154,778

9C. Other segmental information

Additions to non current assets	**Group 2015 £**	Group 2014 £	**Company 2015 £**	Company 2014 £
Botswana	**282,365**	239,456	**69,911**	179,554
South Africa	**20,297**	-	**20,297**	-
Cameroon	**-**	9,730	**-**	9,730
Total continuing operations	**302,662**	249,186	**90,208**	189,284
Unallocated head office	**-**	-	**-**	-
	302,662	249,186	**90,208**	189,284

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

10. INTANGIBLE ASSETS

Exploration and evaluation assets:

	2015 Group £	2014 Group £	**2015 Company £**	2014 Company £
Cost:				
At 1 July	**6,482,263**	6,249,019	**3,511,212**	3,321,928
Additions	**302,662**	249,186	**90,208**	189,284
Exchange variance	**-**	(15,942)	**-**	-
At 30 June	**6,784,925**	6,482,263	**3,601,420**	3,511,212
Impairment:				
At 1 July	**615,796**	-	**197,232**	-
Provision for impairment	**-**	615,796	**-**	197,232
At 30 June	**615,796**	615,796	**197,232**	197,232
Carrying Value:				
At 1 July	**5,866,467**	6,249,019	**3,313,980**	3,321,928
At 30 June	**6,169,129**	5,866,467	**3,404,188**	3,313,980

Segmental analysis	**2015 Group £**	2014 Group £	**2015 Company £**	2014 Company £
Botswana	**6,148,832**	5,866,467	**3,383,891**	3,313,980
South Africa	**20,297**	-	**20,297**	-
	6,169,129	5,866,467	**3,404,188**	3,313,980

Exploration and evaluation assets relate to expenditure incurred in exploration for diamonds in Botswana and South Africa. The directors are aware that by its nature there is an inherent uncertainty in exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalized exploration and evaluation assets.

The Group's focus is to maximize the full potential of the Botswana operations. Therefore, in the prior year, the directors had decided to provide in full against the carrying value of the operations in Zimbabwe and Cameroon. Accordingly, an impairment provision of £615,796 had been recorded by the Group in the prior year (Company: £197,232).

On July 23 2013 the Group entered into an agreement with Siseko Minerals (Pty) Limited over the 13 licence Brightstone block in the Gope area of Botswana. Under the terms of the agreement the company would have earned a 51% interest in the block by spending up to US $940,000 over three years.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

10. INTANGIBLE ASSETS *(continued)*

On 11 November 2014 the Brightstone block was farmed out to BCL Investments (Proprietary) Limited, a Botswana Company, who assumed responsibility for the work programme. Botswana Diamonds will retain a 15% carried interest.

On August 16 2013 the Group entered into a joint venture agreement with Alrosa Overseas SA a wholly owned subsidiary of OJSC Alrosa of Russia to explore for diamonds in Botswana. Further details are outlined in Note 11.

The directors believe that there were no facts or circumstances indicating that the carrying value of intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. The realisation of these intangible assets is dependent on the successful discovery and development of economic diamond resources and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of significant potential risks, as set out in Note 1 (xiv).

Included in additions for the year are £428 of share based payments (2014: £3,378), £14,008 (2014: £18,481) of wages and salaries and £32,500 (2014: £50,000) of directors remuneration.

11. INVESTMENT IN SUBSIDIARIES

	2015 **£**	2014 £
At 1 July	**500,017**	501,392
Provision for impairment	**-**	(1,375)
At 30 June	**500,017**	500,017

An impairment charge of £1,375 had been provided in respect of the investment in Kukama Diamonds (Cameroon) Limited in the prior year. Further details are outlined in Note 10.

On 8 October 2013 Botswana Diamonds plc, through its subsidiary Atlas Minerals (Pty) Ltd, acquired 50% shareholding in Sunland Minerals (Pty) Ltd. Sunland Minerals (Pty) Ltd was formed as per the joint venture agreement entered into between Botswana Diamonds plc and OJSC Alrosa Russia to explore for diamonds in Botswana.

In the opinion of the directors, at 30 June 2015, the fair value of the investments in subsidiaries is not less than their carrying amounts.

The subsidiaries of the Company at 30 June 2015 were:

Name of subsidiary	**Total allotted Capital**	**Country of incorporation and operation**	**% Ownership**	**Principal activity**
Kukama Mining and Exploration (Proprietary) Limited	2 Ordinary shares of BWP1 each	Botswana	100%	Prospecting and exploration for diamonds
Kukama Diamonds Investments Limited	50,000 shares of US$1,000 each	British Virgin Islands	100%	Holding Company
Orapa Diamonds plc	5,000,000 shares of £0.01 each	United Kingdom	100%	Dormant

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

11. INVESTMENT IN SUBSIDIARIES *(continued)*

Name of subsidiary	Total allotted Capital	Country of incorporation and operation	% Ownership	Principal activity
Kukama Diamonds Cameroon Limited SARL	100 shares of FCA 10,000 each	Cameroon	85%	Dormant
Botswana Coal plc	5,000,000 shares of £0.01 each	United Kingdom	100%	Dormant
Congo Diamonds plc	5,000,000 shares of £0.01 each	United Kingdom	100%	Dormant
*** Sunland Minerals (Pty) Limited	5,000 shares of BWP1 each	Botswana	50%	Prospecting and exploration for diamonds
Atlas Minerals (Botswana) (Pty) Limited	200 shares of BWP1 each	Botswana	100%	Prospecting and exploration for diamonds

*** indirectly held.

The carrying value of investments in subsidiaries is dependent on the successful discovery and development of economic diamond reserves and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of significant potential risks as set out in Note 1 (xiv).

12. INVESTMENTS IN ASSOCIATE

	2015	2014
	£	£
Group and Company		
Cost:		
At the beginning of the year	**-**	100,000
Disposal	**-**	(100,000)
At the end of the year	**-**	-

The Group held 35.42% of the issued share capital of Bugeco S.A. a private Company incorporated in Belgium.

On 2 June 2014, Botswana Diamonds announced that it had liquidated its interest in Bugeco S.A. and had received £200,454 from the proceeds of the liquidation.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

13. FINANCIAL ASSETS

	2015	2014
	£	£
Group and Company		
Financial assets carried at fair value through profit or loss (FVTPL):		
Non-derivative financial assets designated as at FVTPL	**8,000**	12,000

	2015	2014
Investment at FVTPL		
At 1 July 2014	**12,000**	10,500
Fair value movement	**(4,000)**	1,500
At 30 June 2015	**8,000**	12,000

The Group holds 1,000,000 shares in Stellar Diamonds plc. At the year end this investment represented 0.12% (2014: 0.14%) of the issued share capital of Stellar Diamonds plc. Stellar Diamonds plc is listed on the London AIM market. In the opinion of the directors, the Company does not have significant influence over Stellar Diamonds plc.

Fair value at 30 June 2015 is based on the market value of the shares of Stellar Diamonds plc at that date. Investment in Stellar Diamonds plc is classified in Level 1 hierarchy.

14. OTHER RECEIVABLES

	2015	2014	**2015**	2014
	Group	Group	**Company**	Company
	£	£	**£**	£
Other receivables	**16,428**	65,445	**13,800**	57,522
Due by Group undertakings (Note 6)	**-**	-	**2,293,031**	2,054,800
	16,428	65,445	**2,306,831**	2,112,322

The carrying value of the other receivables approximates to their fair value. The carrying value of amounts due by Group undertakings is dependent on the successful discovery and development of economic diamond resources and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of significant potential risks as detailed in Note 1 (xiv).

15. CASH AND CASH EQUIVALENTS

	2015	2014	**2015**	2014
	Group	Group	**Company**	Company
	£	£	**£**	£
Cash and cash equivalents	**175,850**	419,880	**134,582**	403,317

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

16. TRADE AND OTHER PAYABLES

	2015 Group £	2014 Group £	**2015 Company £**	2014 Company £
Trade payables	**47,267**	62,250	**41,671**	54,718
Accruals	**73,208**	114,684	**63,015**	100,060
	120,475	176,934	**104,686**	154,778

It is the Company's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, payment is made accordingly. In the absence of agreed terms it is the Company's policy that payment is made between 30 – 40 days. The carrying value of trade and other payables approximates to their fair value.

17. CALLED-UP SHARE CAPITAL

Allotted, called-up and fully paid:

	Number	**Share Capital £**	**Share Premium £**
At 1 July 2013	138,282,267	1,382,823	7,111,556
Issued during the year	57,946,000	579,460	869,190
Share issue expenses	-	-	(35,919)
Warrants issued	-	-	(120,002)
At 30 June 2014	196,228,267	1,962,283	7,824,825
Issued during the year	**43,259,381**	**432,593**	**9,907**
Share issue expenses	**-**	**-**	**(9,651)**
At 30 June 2015	**239,487,648**	**2,394,876**	**7,825,081**

Movements in share capital

On 13 December 2013, the Company raised £540,000 through the issue of 21,600,000 new ordinary shares at a price of 2.5p per share to provide additional working capital and fund development costs. In addition, the Company settled £200,000 of existing liabilities with the directors of the Company through the issue of 8,000,000 new ordinary shares at a price of 2.5p.

On 13 December 2013, 59,200,000 warrants were granted to the subscribers of the placing at a price of 2.5p per share. These warrants were exercisable for a period of six months from date of issue. At date of issue the warrants had a fair value of 0.44p.

On 20 January 2014, 1,000,000 warrants were exercised at a price of 2.5p per warrant for £25,000.

On 20 June 2014, 27,346,000 warrants were exercised at a price of 2.5p per warrant for £683,650. The balance of the warrants expired before the year end.

On 31 March 2015, the Company raised £282,500 through the issue of 28,250,000 new ordinary shares at a price of 1p to provide additional working capital and fund development costs.

On 8 April 2015, the Company settled £160,000 of existing liabilities with the directors of the Company through the issue of 15,009,381 new ordinary shares at a price of 1.066p per share.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

18. SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant.

Fair value is measured by use of a Black-Scholes valuation model.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant.

	30/06/2015 Options	**2015 Weighted average exercise price in pence**	30/06/2014 Options	2014 Weighted average exercise price in pence
Outstanding at beginning of year	**8,160,000**	**6.46**	7,910,000	6.59
Issued	**250,000**	**2.75**	250,000	2.50
Outstanding at end of the year	**8,410,000**	**6.35**	8,160,000	6.46
Exercisable at end of the year	**8,370,000**	**6.36**	8,080,000	6.49

The options outstanding at 30 June 2015 had a weighted average exercise price of 6.35p, and a weighted average remaining contractual life of 2.87 years.

During the year ended 30 June 2015, 250,000 options were granted with a fair value of £1,299. These fair values were calculated using the Black-Scholes valuation model. These options will vest immediately. During the prior year 250,000 options were granted with a fair value of £1,575. These options vested immediately.

The inputs into the Black-Scholes valuation model were as follows:

Grant 1 September 2014

Weighted average share price at date of grant (in pence)	2.75p
Weighted average exercise price (in pence)	2.75p
Expected volatility	16.8%
Expected life	7 years
Risk free rate	0.5%
Expected dividends	none

Grant 13 December 2013

Weighted average share price at date of grant (in pence)	2.5p
Weighted average exercise price (in pence)	2.5p
Expected volatility	23.2%
Expected life	7 years
Risk free rate	0.5%
Expected dividends	none

Expected volatility was determined by management based on their cumulative experience of the movement in share prices over the year.

The terms of the options granted do not contain any market conditions within the meaning of IFRS 2.

The Group capitalised expenses of £428 (2014: £3,378) and expensed costs of £1,299 (2014: £1,575) relating to equity-settled share-based payment transactions during the year.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

19. MATERIAL NON-CASH TRANSACTIONS

Material non-cash transactions during the year have been outlined in Notes 10, 11, 17 and 18.

20. CAPITAL COMMITMENTS

There is no capital expenditure authorised or contracted for which is not provided for in these accounts.

21. PARENT COMPANY INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the parent Company's income statement has not been presented in this document. The loss after taxation, as determined in accordance with IFRS, for the parent Company for the year is £372,502 (2014: loss of £1,025,403).

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Group and Company

The Group's financial instruments comprise of cash and cash equivalent balances, investments at fair value and various items such as trade receivables and trade payables which arise directly from trading operations.

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group holds cash as a liquid resource to fund obligations of the Group. The Group's cash balances are held in euro, US dollar and sterling. The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure.

The Group has a policy of not hedging due to no significant dealings in currencies other than the reporting currency and euro denominated transactions and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposure on an ad hoc basis.

The Group does not enter into any derivative transactions and it is the Group's policy that no trading in derivatives shall be undertaken.

The main financial risks arising from the Group's financial instruments are as follows:

Interest rate risk

The Group has no outstanding bank borrowings at the year end. New projects and acquisitions are financed by a combination of existing cash surpluses and through funds raised from equity share issues. The Group may use project finance in the future to finance exploration and development costs on existing licences.

Liquidity risk

As regards liquidity, the Group's policy is to ensure continuity of funding primarily through fresh issues of shares. Short-term funding is achieved through utilising and optimising the management of working capital. The directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development.

Capital management

The capital structure of the Company consists primarily of equity raised through issue of share capital, which it has invested in operations in Botswana and South Africa.

The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Company is not subject to externally imposed capital requirements.

Notes to the Financial Statements

for the year ended 30 June 2015 *(continued)*

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Credit Risk

The maximum credit exposure of the Group as at 30 June 2015 amounted to £192,278 (2014: £485,325) relating to the Group's cash and cash equivalents and receivables. The directors believe there is limited exposure to credit risk as the Group's cash and cash equivalents are held with major financial institutions. The aging of receivables is reviewed on a regular basis to ensure the timely collection of amounts owing to the Group.

The Group manages its credit risk in cash and cash equivalents by holding surplus funds in high credit worthy financial institutions and maintains minimum balances with financial institutions in remote locations.

	2015	2014
	£	£
Financial institutions with S&P A- rating or higher	**175,850**	419,880

The credit risk on receivables from subsidiaries is significant and their recoverability is dependent on the discovery and successful development of economic reserves by those subsidiary undertakings. Given the nature of the Group's business, significant amounts are required to be invested in exploration and evaluation activities at different locations. The directors manage this risk by reviewing expenditure plans and budgets in relation to projects before any monies are advanced to subsidiary undertakings in respect of those projects. This review ensures that any expenditure is value-enhancing and as a result the amounts receivable will be recoverable subject to successful discovery and development of economic reserves.

Foreign currency risk

In the normal course of business, the Group enters into transactions denominated in foreign currencies (US Dollars, Sterling and Euros). As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates; however it does review its currency exposures on an ad hoc basis.

The carrying amounts of the Group and Company foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

Group		**Assets**		**Liabilities**
	2015	2014	**2015**	2014
	£	£	**£**	£
Euro	**5,210**	146,845	**17,138**	25,322
US Dollar	**21,687**	7,252	**9,035**	8,771

Company		**Assets**		**Liabilities**
	2015	2014	**2015**	2014
	£	£	**£**	£
Euro	**5,210**	146,845	**17,138**	25,332
US Dollar	**914**	6,571	**9,035**	8,771

If sterling had gained/lost 5% against all currencies significant to the Group at 30 June 2015, the loss would have been less than £1,000 lower/higher and the Group's net assets would have been less than £1,000 higher/lower. Accordingly the impact on the Statement of Comprehensive Income and net assets would be immaterial.

23. POST BALANCE SHEET EVENTS

There are no material post balance sheet events affecting the Group.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Botswana Diamonds plc (the "Company") will be held on Friday 18th December 2015 at 11.00am at the Hilton London Paddington Hotel, 146 Praed Street, London W2 1EE for the following purposes:

Ordinary Business

1. To receive and consider the Director's Report, Audited Accounts and Auditor's Report for the year ended 30 June 2015.
2. To elect Director: John Teeling retires in accordance with the Articles of Association and seeks re-election.
3. To elect Director: David Horgan retires in accordance with the Articles of Association and seeks re-election.
4. To re-elect Deloitte as auditors and to authorise the Directors to fix their remuneration.
5. To transact any other ordinary business of an annual general meeting.

SPECIAL BUSINESS
ORDINARY RESOLUTION

6. That, subject to Resolution 8 being passed,
   a. each of the 239,487,648 issued ordinary shares of 1 pence each in the capital of the Company ("Existing Ordinary Shares") and any unissued ordinary shares of 1 pence each in the capital of the Company be and are hereby subdivided into one new Ordinary Share of 0.25 pence each ("New Ordinary Shares") and one deferred share of 0.75 pence each ("Deferred Shares") on the basis of one New Ordinary Share and one Deferred Share for each Existing Ordinary Share; and
   b. the New Ordinary Shares will have the same rights and be subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares in the Company's Articles of Association and the Deferred Shares will have the rights and be subject to the restrictions as set out in the Articles of Association as amended by Resolution 8 below.

ORDINARY RESOLUTION

7. That, in accordance with section 551 of the Companies Act 2006 ("2006 Act"), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (" Rights") up to an aggregate nominal amount of £3,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on a date no longer than five years from the date the resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

8. That, subject to Resolution 6 being passed, the articles of association of the Company be amended as follows:
   a. by inserting the following definitions at article 1.1:
      "Deferred Shares" the deferred shares in the capital of the Company with the rights set out in Article 6,
      "Ordinary Shares" the ordinary shares in the capital of the Company.
   b. by inserting the following as article 6:
      6 The rights and restrictions attached to the Deferred Shares shall be as follows:
      6.1 As regards income the holders of the Deferred Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year of any other income or right to participate therein.
      6.2 As regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares) the holders of the Deferred Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or in specie) to the holders of the Ordinary Shares the amount of £100,000,000 in respect of each Ordinary Share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution in specie shall be ascertained in sterling, in each case in such a manner as the Directors of the Company in general meeting may approve. The Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.
      6.3 As regards voting the holders of Deferred Shares shall not be entitled to received notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.

Notice of Annual General Meeting *(continued)*

SPECIAL RESOLUTION *(continued)*

6.4 The rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or pari passu with or subsequent to such shares. In addition neither the passing by the Company of any resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders or the Deferred Shares.

6.5 Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred Shares for an aggregate consideration of £1.

6.6 The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer/cancellation of the Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the Deferred Shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/ or cancellation and /or purchase, to retain the certificate (s) if any, for such shares.

6.7 The Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the adoption of this Article, cancel such shares by way of reduction of capital for no consideration.

6.8 Notwithstanding any other provision of these Articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the Deferred Shares.

c. subsequent numbering of the articles of association to be sequentially amended.

SPECIAL RESOLUTION

9. "THAT, subject to the passing of resolution 7 and in accordance with section 570 and 573 of the 2006 Act, the Directors be and are generally empowered to allot equity securities (as defined in section 560 of the 2006 Act for cash pursuant to the authority conferred by resolution 7, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

   a. be limited to the allotment of equity securities up to an aggregate nominal amount of £3,000,000; and

   b. expire on a date no longer than five years from the date the resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board.

James Finn
Secretary

Registered Office: 20-22 Bedford Row, London WCIR 4JS
Registered in England and Wales with company number: 07384657

18 November 2015

Notice of Annual General Meeting *(continued)*

Notes:

1. A member who is unable to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from the Meeting and voting in person.

2. To be effective, the completed Form of Proxy duly signed, together with the power of attorney (if any) or other authority under which it is executed, or a notarially certified copy thereof, must be deposited at the Company's Registrars, Computershare Investor Services (Ireland) Ltd., Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, not less than forty-eight hours before the time appointed for the Meeting or any adjournment thereof at which the person named in the form of Proxy is to vote. A shareholder wishing to appoint a proxy by electronic means may do so on www.eproxyappointment.com. A shareholder who wishes to appoint more than one proxy by electronic means must contact the Registrar by sending an email to clientservices@computershare.ie.

3. A shareholder may appoint more than one proxy to attend, speak, ask questions and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on +353 1 216 3100 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided in the Form of Proxy if the proxy instruction is one of multiple instructions being given. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the Form of Proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). All Forms of Proxy must be signed and should be returned together in the same envelope. Where a poll is taken at the Meeting, a shareholder, present in person or proxy, holding more than one share is not required to cast all their votes in the same way.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a' Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on 16 of December 2015 (or in the case of an adjournment as at close of business on the day that is two days before the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 11a.m. on 16th December 2015 (or in the case of an adjournment as at 48 hours before the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Directors and other information

DIRECTORS	Dr. John Teeling James Finn David Horgan Robert Bouquet Anne McFarland
SECRETARY	James Finn
REGISTERED OFFICE	20-22 Bedford Row London, WCIR 4JS United Kingdom
BUSINESS ADDRESS	162 Clontarf Road Dublin 3 Ireland
REGISTERED AUDITORS	Deloitte Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
COMPANY REGISTRATION NUMBER	07384657
SOLICITORS	McEvoy Partners 27 Hatch Street Lower Dublin 2 Ireland
NOMINATED ADVISOR & JOINT BROKER	Northland Capital Partners Ltd 131 Finsbury Pavement London EC2A 1NT UK
JOINT BROKER	Dowgate Capital Stockbrokers Limited Talisman House Jubilee Walk Three Bridges Crawley West Sussex RH10 1LQ UK
REGISTRARS	Computershare Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 Ireland
BANKERS	Barclays Bank Ireland Plc Two Park Place Hatch Street Upper Dublin 2 Ireland

Directors: John Teeling - *Executive Chairman*, Jim Finn - *Finance Director*,
David Horgan - *Director*, Robert Bouquet - *Director* - Anne McFarland- *Director*
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A company incorporated and registered in England & Wales under the Companies Act 2006 with registered number 07384657