CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN US DOLLARS)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying annual consolidated financial statements of the "Company" were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the audited annual consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors of the Company is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the annual audited consolidated financial statements together with other financial information. An Audit Committee, whose members are not officers of the Company, assists the Board of Directors in fulfilling this responsibility. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the annual audited consolidated financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the annual consolidated financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Boris Kamstra
Chief Executive Officer

(signed)
Eoin O'Driscoll
Chief Financial Officer

April 30, 2018

Independent auditor's report

To the Shareholders of Alphamin Resources Corp.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated position of Alphamin Resources Corp. (the Company) and its subsidiaries (together the Group) as at December 31, 2017 and December 31, 2016, and its consolidated performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Alphamin Resources Corp.'s consolidated financial statements set out on pages 10 to 35 comprise:

- the consolidated statements of financial position as at December 31, 2017 and December 31, 2016;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in stockholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board *(IESBA Code).* We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements which describes events and conditions that indicate a material uncertainty exists that may cast significant doubt about Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

Overview

Overall group materiality

- Overall group materiality in respect of our audit of the consolidated financial statements for the year ended December 31, 2017: USD 1 235 800, which represents 1% of the Group's total consolidated assets as at December 31, 2017.

Group audit scope

- The Group comprises of 2 operating components both of which are required to report on full scope audit procedures.

Key audit matters

The following key audit matters have been determined in respect of our audit of the consolidated financial statements for the year ended December 31, 2017:

- Material uncertainty related to going concern; and
- Assessment of impairment of Exploration and Evaluation Asset reclassified to Mine under construction (Alphamin Bisie Mining Tin Project).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our group audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	In respect of our audit of the consolidated financial statements for the year ended December 31, 2017**:** USD 1 235 800
How we determined it	1% of the Group's total consolidated assets as at December 31, 2017
Rationale for the materiality benchmark applied	We chose total consolidated assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users whilst the Group is in its Development phase, and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for similar companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of 2 operating components (consisting of the corporate head office in Mauritius and the mine development project in the Democratic Republic of Congo ("DRC")), both of which were included for full scope audit requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements for the year ended December 31, 2017 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter for the year ended December 31, 2017	How our audit addressed the key audit matter
Assessment of impairment of Exploration and Evaluation Asset reclassified to Mine under construction (Alphamin Bisie Mining Tin Project).	
At December 31, 2017 the Group was in the process of developing its Tin Project in the DRC (referred to as the Alphamin Bisie Mining Tin Project). Costs related to acquisition, exploration, evaluation and development of this project have been capitalised and, to date, amount to USD 99.5 million. In performing their impairment assessment of the carrying value of the Alphamin Bisie Mining Tin Project at the time of reclassification from Exploration and Evaluation Assets to Mine under construction, management considered a number of factors as set out in Note 7 to the consolidated financial statements. By its nature, there are numerous uncertainties inherent in estimating qualities and quantities of mineral reserves and estimated costs to develop and mine it. Due to the high level of judgement and estimation involved in determining the recoverable value and the material impact that an impairment could have on the Mine under construction asset, we considered this a matter of most significance to our audit of the consolidated financial statements for the year ended December 31, 2017.	Through our discussions with management and inspection of underlying calculations, we gained an understanding of the methodology and models used by management for impairment assessment purposes, which consisted of a discounted cash flow model. We evaluated management's impairment assessment, considering the factors per Note 7 to the consolidated financial statements, by performing the following procedures: (a) We obtained the discounted cash flow model prepared by management which underlies the impairment assessment; (b) We made use of our internal valuation expertise to assess the integrity of the discounted cash flow model by performing an independent recalculation and comparing the results of our calculation with management's calculations. We noted no significant areas of concern; (c) We also made use of our internal valuation expertise to evaluate the appropriateness of the forecasted average long term real tin price used by management in the discounted cash flow model, which we compared to a range of independent analysts. Management's forecast average long term real tin price as used in their base case discounted cash flow model was above our internal consensus range. Refer (e) below; (d) Applying our internal valuation expertise, we re-performed the calculation of the real discount rate used by management in the discounted cash flow model, using standard market related calculation methodologies and applying additional sensitivity analyses within our acceptable ranges. Management's

	real discount rate used in their base case discounted cash flow model fell below our internal consensus range. Refer (e) below; (e) We obtained the sensitivity analysis prepared by management as part of their impairment assessment, where the average long term real tin price and the real discount rates used in management's base case discounted cash flow model were adjusted, individually and in aggregate, to determine whether this would result in the need for an impairment provision. The average long term real tin price and range of real discount rates used by management in performing their sensitivity analysis fell within our internal consensus ranges. (f) Forecast development capital expenditure and operational cash flow projections used by management in the discounted cash flow model were compared to the latest feasibility studies and underlying analyses prepared by external experts utilized by management; (g) The life of mine projection was assessed against the latest feasibility studies and reserve and resource statements as signed off by competent persons; and (h) We assessed the independence and competency of the external experts utilized by management by obtaining independence confirmations from the experts, as well as evidence relating to their qualifications and professional memberships. We discussed and corroborated certain of the key assumptions used by the external experts to relevant documentation.

Other information
Management is responsible for the other information. The other information comprises information included in the *Alphamin Resources Corp. Consolidated Financial Statements (Expressed in US Dollars) for the years ended December 31, 2017 and 2016,* and the *Management Discussion and Analysis Report.* Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jean-Pierre van Staden.

(signed) *PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.
Chartered Accountants (South Africa)
Johannesburg - South Africa
April 30, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT	DECEMBER 31 2017	DECEMBER 31 2016
	USD	USD
Assets		
Current assets		
Consumable stores (Note 4)	1 155 564	393 685
Prepaids and other receivables (Note 3)	8 952 444	602 858
Cash and cash equivalents	7 236 425	8 648 895
Total current assets	17 344 433	9 645 438
Non-current assets		
Plant and equipment (Note 5)	4 067 827	1 046 044
Prepaids and other receivables (Note 3)	463 739	444 868
Mine under construction (Note 6)	99 504 474	-
Exploration and evaluation assets (Note 7)	2 201 450	70 968 191
Total non-current assets	106 237 490	72 459 103
Total assets	123 581 923	82 104 541
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	5 965 815	996 315
Accounts payable and accrued liabilities - related parties (Note 10)	304 468	190 833
Warrants (Note 11)	3 476 167	-
Total current liabilities	9 746 450	1 187 148
Non-current liabilities		
Provision for closure and reclamation (Note 12)	1 974 894	-
Long term debt (Note 13)	6 920 731	-
Long term debt – related parties (Note 13)	3 150 071	-
Total non-current liabilities	12 045 696	-
Stockholders' equity		
Capital stock (Note 9)	122 298 092	104 277 696
Reserves (Note 9)	9 200 050	8 956 258
Foreign currency translation reserve	(1 511 737)	(1 511 737)
Accumulated deficit	(46 166 910)	(41 808 168)
Stockholders' equity	83 819 495	69 914 049
Non-controlling interest	17 970 282	11 003 344
Total equity	101 789 777	80 917 393
Total liabilities and equity	123 581 923	82 104 541

Approved and authorised by the Board of Directors on April 30, 2018.

(Signed) **(Signed)**

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BORIS KAMSTRA, DIRECTOR **EOIN O'DRISCOLL, DIRECTOR**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED:	DECEMBER 31 2017	DECEMBER 31 2016
	USD	USD
Operating expenses (income):		
Accounting, audit and legal	579 104	541 237
Administrative	313 706	271 495
Bank charges and interest	300 195	158 611
Consulting fees	151 562	115 260
Directors' fees	197 426	264 426
Depreciation (Note 5)	287 573	111 769
Foreign exchange (gain)/loss	(478 354)	6 504
Corporate fees and salaries	3 424 002	2 957 708
Property examination and maintenance	-	14 555
Investor relations, filing and transfer fees	144 955	145 187
Insurance	40 304	34 211
Share-based payments (Note 9)	243 792	153 184
Warrants (Note 11)	(2 288 153)	(319 704)
Telecommunication costs	102 238	154 347
Travel and accommodation	649 127	351 533
Loss on disposal of assets	1 479	482
Withholding taxes	336 000	390 698
Loss before finance costs/(income)	4 004 956	5 351 503
Finance costs	-	-
Finance income	-	(23)
Net loss and total comprehensive loss for the period	4 004 956	5 351 480
Loss and total comprehensive loss attributed to:		
Equity holders	2 742 787	4 327 531
Non-controlling interests	1 262 169	1 023 949
	4 004 956	5 351 480
Net loss per share – basic and diluted**	(0.01)	(0.01)
***Weighted average number of shares used in the calculation of net loss per share*	467 411 388	391 064 245

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENTS CASH FLOWS FOR THE YEARS ENDED	DECEMBER 31 2017	DECEMBER 31 2016
Expressed in US dollars	USD	USD
Cash flows from operating activities		
Net loss before finance income for the period	(4 004 956)	(5 351 503)
Adjustment for items not involving cash		
Share-based payments	243 792	153 184
Warrants	(2 288 153)	(319 704)
Loss on disposal of assets	1 479	482
Depreciation	287 573	111 769
Change in working capital items:		
Prepaids and other receivables – current	(8 302 136)	(620 799)
Consumable stores	(761 879)	(393 685)
Accounts payable and accrued liabilities	4 969 500	196 302
Due to related parties	113 635	153 333
Cash used in operations	(9 741 145)	(6 070 621)
Interest income	-	23
Net cash used in operating activities	(9 741 145)	(6 070 598)
Cash flow from investing activities		
Purchase of plant and equipment	(3 312 335)	(760 535)
Disposal of plant and equipment	1 500	12 500
Investing in exploration and evaluation assets	(28 692 037)	(7 462 449)
Prepaids and other receivables – non-current	(66 321)	(195 072)
Net cash used in investing activities	(32 069 193)	(8 405 556)
Cash flows from financing activities		
Issue of shares by subsidiary company (Note 9)	6 613 152	3 000 000
Increase in long term debt	10 000 000	
Proceeds from issue of common stock and warrants	23 784 716	11 057 342
Net cash provided by financing activities	40 397 868	14 057 342
Increase/(Decrease) in cash and cash equivalents	(1 412 470)	(418 812)
Cash and cash equivalents at the beginning of period	8 648 895	9 067 707
Cash and cash equivalents at the end of period	7 236 425	8 648 895

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY	Capital stock		Reserves					
	Shares #	Amount USD	Share-based payment reserve USD	Foreign currency translation reserve USD	Deficit USD	Total stockholders' equity USD	Non-controlling interests USD	Total equity USD
Balance, January 1, 2016	379 519 237	92 885 725	8 803 074	(1 511 737)	(37 681 668)	62 495 394	9 228 324	71 723 718
Loss for the year	-	-	-	-	(4 327 531)	(4 327 531)	(1 023 949)	(5 351 480)
Issue of shares by subsidiary company	-	-	-	-	201 031	201 031	2 798 969	3 000 000
Issue of shares in private placement	36 683 329	8 498 040	-	-	-	8 498 040	-	8 498 040
Exercise of stock options	2 749 999	467 939	-	-	-	467 939	-	467 939
Exercise of warrants	10 833 332	2 425 992	-	-	-	2 425 992	-	2 425 992
Share based payments	-	-	153 184	-	-	153 184	-	153 184
Balance, December 31, 2016	429 785 897	104 277 696	8 956 258	(1 511 737)	(41 808 168)	69 914 049	11 003 344	80 917 393
Loss for the year	-	-	-	-	(2 742 787)	(2 742 787)	(1 262 169)	(4 004 956)
Issue of shares by subsidiary company	-	-	-	-	(1 615 955)	(1 615 955)	8 229 107	6 613 152
Issue of shares in private placement on July 19, 2017	82 514 134	16 294 644	-	-	-	16 294 644	-	16 294 644
Issue of shares in private placement on December 15, 2017	9 951 178	1 725 752	-	-	-	1 725 752	-	1 725 752
Share based payments	-	-	243 792	-	-	243 792	-	243 792
Balance, December 31, 2017	522 251 209	122 298 092	9 200 050	(1 511 737)	(46 166 910)	83 819 495	17 970 282	101 789 777

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE AND CONTINUANCE OF OPERATIONS

Alphamin Resources Corp. (the “Company”) is governed by the laws of Mauritius. The Company is in the business of locating, acquiring, exploring, evaluating and, if warranted, developing mineral properties. The registered office is located at C/o ADANSONIA MANAGEMENT SERVICES LIMITED, Suite 1, PERRIERI OFFICE SUITES, C2-302, Level 3, Office Block C, La Croisette, Grand Baie 30517, Mauritius. The Company was previously incorporated under the laws of British Colombia, Canada, however it was continued in Mauritius effective on September 30, 2014. The Company’s shares are listed on the Toronto Stock Exchange’s TSX Venture Exchange (primary listing) and the Johannesburg Stock Exchange’s Alternative Exchange (Alt.X) (secondary listing). These audited consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realisation of assets and satisfaction of liabilities in the normal course of business. From 2015, the Company has focussed exclusively on its principal project in the Democratic Republic of Congo (DRC). During 2017 the Company concluded an updated feasibility study on its principal exploration and evaluation asset. Although positive, the success of the Company’s future activities is influenced by significant financial risks, legal and political risks and commodity prices.

As at December 31, 2017, the Company has no source of operating cash flows, has not yet achieved profitable operations, has accumulated losses of USD46 166 910, stockholders’ equity of USD83 819 495 and working capital of USD7 597 983 and expects to incur further losses and cash outflows in the development of its business.

The Company’s going concern risk profile has improved during the year ended December 31, 2017, as well as post year end through the successful raising of over USD73 million in equity and securing a debt facility in the amount of USD80 million. The Company’s ability to continue as a going concern is dependent upon the Company obtaining additional equity and completion of certain conditions precedent in the loan facility agreements in order to allow access to draw on the balance of the long-term debt facility. Failure to obtain future financing could result in the delay or postponement of further development of the Company’s properties and may result in the Company not meeting any of its operational and capital requirements. In addition to the aforementioned funding requirements, additional risks to completing the mine construction project on budget, on time and subsequently ramping up to commercial levels of production relate mainly to project logistics and contractor management in a challenging environment (including difficult road conditions). In combination, these events and conditions give rise to a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern, and therefore, that it may be unable to realize its assets and discharge it liabilities in the normal course of business.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying value and classification of assets and liabilities, should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

These audited consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with *International Financial Reporting Standards (IFRS)* as issued by the *International Accounting Standards Board (IASB)* and Interpretations issued by the *International Financial Reporting Interpretations Committee (IFRIC).*These consolidated financial statements have been prepared on a historical cost basis except for share-based payments and financial instruments classified at fair value through profit or loss, which have been measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

B. BASIS OF CONSOLIDATION

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when an investor (the Company) has power over an investee (the Subsidiaries) that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns. The consolidated financial statements include the accounts of the Company and its controlled subsidiaries, as follows:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY
Alphamin Bisie Mining SA (formerly called Mining and Processing, Congo, SARL)	Democratic Republic of the Congo	Mineral exploration (80.75% owned by Alphamin Resources (BVI) Ltd)
Alphamin South Africa (Pty) Limited	South Africa	Holding Company (100% wholly owned by Parent)
Alphamin Holdings (BVI) Ltd*	British Virgin Islands	Holding Company (100% wholly owned by Parent)
Alphamin Resources (BVI) Ltd*	British Virgin Islands	Holding Company (100% wholly owned by Alphamin Holdings (BVI) Ltd)

**These subsidiaries were incorporated as part of the acquisition of Alphamin Bisie Mining SA (formerly called Mining and Processing Congo, SARL).*

All intercompany transactions and balances have been eliminated.

Following the receipt of mining license number PE13155 and in line with Article 71 of the Mining Code 2002, 5% of the Class B shares of Alphamin Bisie Mining SA, were issued to the Government of the Democratic Republic of the Congo.

On December 31, 2015 Alphamin Bisie Mining SA received the first two tranches of the proposed USD10 million investment by the Industrial Development Corporation of South Africa Limited (IDC) in the amount of USD7 million, resulting in 10.45% ownership in ABM. The final tranche of USD3 million was received in the quarter ended June 30, 2016, which brought the IDC's ownership of ABM to 14.25%. The Government of the Democratic Republic of the Congo owns a non-diluting 5% resulting in a Group ownership of 80.75%.

C. MEASUREMENT UNCERTAINTY AND CRITICAL JUDGEMENTS

The preparation of financial statements in accordance with IFRS as issued by the *International Accounting Standards Board (IASB)* and interpretations of the *International Financial Reporting Interpretations Committee (IFRIC)* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions, which by their nature are uncertain, affect the carrying value of assets, impact decisions as to when exploration and evaluation costs should be capitalised or expensed and affects estimates for rehabilitation provisions. Other significant estimates made by the Company, include factors affecting valuations of share-based compensation and income tax accounts. The Company regularly reviews its estimates and assumptions, however actual results could differ from these estimates and these differences could be material. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROVISION FOR CLOSURE AND RECLAMATION

The Company's operations are subject to environmental regulations in the Congo. Upon establishment of commercial viability of a site and subsequent commencement of production, the Company estimates the cost to restore the site following the completion of commercial activities and depletion of reserves. These future obligations are estimated by taking into consideration closure plans, known environmental impacts, and internal and external studies, which estimate the activities and costs that will be carried out to meet the decommissioning and environmental rehabilitation obligations. The Company records a liability and a corresponding asset for the present value of the estimated costs of legal and constructive obligations for future mine rehabilitation. During the mine rehabilitation process, there will be a probable outflow of resources required to settle the obligation and a reliable estimate can be made of those obligations. The present value is determined based on current market assessments using the risk-free rate of borrowing which is approximated by the yield of government bonds with a maturity similar to that of the mine life. The discounted liability is adjusted at the end of each period with the passage of time. The provision represents management's best estimate of the present value of the future mine rehabilitation costs, which may not be incurred for several years or decades, and, as such, actual expenditures may vary from the amount currently estimated. The decommissioning and environmental rehabilitation cost estimates could change due to amendments in laws and regulations in the Congo. Additionally, actual estimated costs may differ from those projected as a result of a change over time of actual remediation costs, a change in the timing for utilization of reserves and the potential for increasingly stringent environmental regulatory requirements.

Exploration and Evaluation Assets and Mine under construction

During the year the Company continued with its process of exploring and evaluating its Exploration and Evaluation Assets. During December 2017, the Company assessed the technical feasibility and commercial viability of its Bisie Project, together with the availability of project funding and formally approved the commencement of full scale development activities, resulting in the reclassification of the Exploration and Evaluation Asset to Mine under construction. The recoverability of the amounts shown for Exploration and Evaluation Assets and/or Mine under construction are dependent upon the successful future development of the project, the ability of the Company to obtain necessary financing to complete the development of the project and upon future production or proceeds from the disposition thereof.

Assumptions are used in estimating the Group's reserves and resources that might be extracted from the Group's properties. Judgement is applied in determining when an Exploration and Evaluation Asset demonstrates technical feasibility and commercial viability and transitions to the development stage, requiring reclassification to mine under construction within non-current assets.

Share-based payments

The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options, which requires inputs in calculating the fair value for share-based payments expense, included in profit or loss and share-based issuance costs, included in shareholders' equity. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares and the expected life of the options. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share-based compensation are disclosed in Note 9.

Income taxes

The estimation of income taxes, includes evaluating the recognition of deferred tax assets based on an assessment of the Company's ability to utilise the underlying future tax deductions against future taxable income, prior to expiry of those deductions. Management assesses whether it is probable that some, or all of the recognised or unrecognised deferred income tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialisation of mineral reserves. To the extent that management's assessment of the Company's ability to utilise future tax deductions changes, the Company would be required to

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognise more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. No deferred tax assets have been recognised by the Group at this stage.

Impairment

Assets, including property, plant and equipment, exploration and evaluation and mine under construction, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts, which is the higher of fair value less cost of disposal ("FVLCD") and value in use. The assessment of the recoverable amounts often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, rehabilitation and restoration costs, future capital requirements and future operating performance. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

Going concern

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as disclosed in Note 1. As at December 31, 2017 the Company had working capital of USD7 597 983. Additional financing will be required for the Company to continue as a going concern.

D. CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and of deposits in banks.

E. FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. Following the change in functional currency outlined above, the functional currency of all group entities is the United States dollar.

Transactions and balances in currencies other than the United States dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period-end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Prior to the change in functional currency of the parent entity, the financial results and position of foreign operations, whose functional currency was different from the reporting currency were translated as follows:

I. assets and liabilities were translated at period-end exchange rates prevailing at that reporting date;
II. income and expenses were translated at average exchange rates for the period; and
III. equity items were translated at historical rates.

Exchange gains and losses were included as part of the foreign currency translation reserve on the statement of financial position.

F. EXPLORATION AND EVALUATION ASSETS

Recognition and measurement

Exploration and Evaluation Costs are those costs required to find a mineral property and determine technical feasibility and commercial viability. Exploration and Evaluation Costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources are commercially viable. Costs incurred before the Company has obtained the legal right to explore an area are recognised in the consolidated statement of loss and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and Evaluation Costs relating to the acquisition of, exploration for and development of mineral properties are capitalised and include, but are not restricted to: drilling, trenching, sampling, surveying and gathering exploration data; tunnelling and development, calculation and definition of mineral resource; test work on geology, metallurgy, mining, geotechnical and geophysical; and conducting geological, geophysical, engineering, environmental, marketing and financial studies.

Administration costs that do not relate directly to specific exploration and evaluation activity for capitalised projects are expensed as incurred.

Impairment

All capitalised Exploration and Evaluation Expenditures are monitored for indications of impairment. Indicators of impairment include, but are not limited to:

I. the period for which the right to explore is less than one year;
II. further exploration expenditures are not anticipated;
III. a decision to discontinue activities in a specific area; and
IV. the existence of sufficient data indicating that the carrying amount of an Exploration and Evaluation Asset is unlikely to be recovered from the development or sale of the asset.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that Exploration and Evaluation Assets are not expected to be recovered, they are charged to the consolidated statement of loss and comprehensive loss.

Reclassification to Mine under construction

Capitalised Exploration and Evaluation Costs for a project are classified as such until the project demonstrates technical feasibility and commercial viability. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalised exploration costs are transferred/reclassified to Mine under construction within non-current assets. Demonstration of technical feasibility and commercial viability generally coincide with a board decision and approval to commence development and construction of a mine. This assessment also includes an assessment of initial development funding required, as well as the availability of such funds. In addition, the assessment includes the estimation of projected future operating cash flows based on a detailed mine design plan supporting the extraction and production of established proven and probable reserves and an estimate of mineral resources expected to be converted into reserves in the future and includes initial construction and sustaining capital expenditures. However, this determination may also be impacted by management’s assessment of certain modifying factors including legal, environmental, social and governmental factors. All subsequent expenditures on the development, construction, installation or completion of infrastructure facilities are capitalised as part of Mine under construction within non-current assets.

G. PLANT AND EQUIPMENT

Plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognised using the straight-line method at the following annual rates:

Motor vehicle	3-5 years
Computer equipment	2 years
Plant and machinery	5-10 years
Land	not depreciated

H. SHARE-BASED PAYMENTS

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognised as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to capital stock.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fair value is measured at grant date and each tranche is recognised over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

At each financial position reporting date, the amount recognised as an expense is adjusted to reflect the number of stock options that are expected to vest. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognised in the statement of loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss. Amounts related to the issuance of shares are recorded as a reduction of capital stock. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the shares or equity instruments issued is used.

I. INCOME TAXES

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

J. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

The basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to ordinary shareholders of the parent company by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. For this purpose, the “treasury stock method” is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the period.

K. PROVISION FOR ENVIRONMENTAL REHABILITATION

The Company recognises liabilities for legal or constructive obligations associated with the retirement of Exploration and Evaluation Assets and plant and equipment. The net present value of future rehabilitation costs is capitalised to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

L. CAPITAL STOCK

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognised as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The Company first values the warrants at their fair value using option pricing methodologies. The balance is allocated to the common shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. MINE UNDER CONSTRUCTION

Upon completion of a technical feasibility study determining the commercial viability of extracting a mineral resource, as well as a board decision to mine and project finance being substantially in place, exploration and development expenditures are transferred to Mine under construction. All subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized to mine under construction until the commencement of commercial production.

Development expenditures are net of proceeds from sale of ore extracted during the development phase. After commercial production starts, all assets included in Mine under construction are transferred to Property, Plant and Equipment. Capitalized development expenditures are not depreciated until the assets are ready for their intended use. Upon completion of construction, mining assets are amortized on a unit of production basis which is measured by the portion of the mine's economically recoverable ore reserves produced during the period.

The Company assesses the stage of each mine under construction to determine when a mine has moved into the commercial production phase. Capitalization of costs, including certain mine development and construction costs, ceases when the related mining property has reached a pre-determined level of operating capacity intended by management. Costs incurred prior to this point, including depreciation of related plant and equipment, are capitalized and proceeds from sales during this period are offset against capitalized costs.

N. FINANCIAL INSTRUMENTS

Financial assets

The Company classifies its financial assets into one of the following categories:

Loans and receivables – these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest method less any provision for impairment.

Held-to-maturity investments – these assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortised cost using the effective interest method less any provision for impairment.

Financial liabilities

The Company classifies its financial liabilities into one of the following categories:

Fair value through profit or loss – this category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognised in profit or loss.

Other financial liabilities – this category consists of liabilities carried at amortised cost using the effective interest method.

O. IMPAIRMENT OF ASSETS

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in profit or loss for the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

P. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective and adopted in the current year;

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
Amendments to IAS 7: Disclosure initiative	January 1, 2017	The impact of this standard is not material
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017	The impact of this standard is not material

Standards and interpretations not yet effective and not early adopted

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between and Investor and its Associate of Joint Venture	Not Applicable	Unlikely there will be a material impact
IFRS 16 Leases	January 1, 2019	Unlikely there will be a material impact
IFRS 9 Financial Instruments	January 1, 2018	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	January 1, 2018	Unlikely there will be a material impact
Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	January 1, 2018	Unlikely there will be a material impact
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	January 1, 2018	Unlikely there will be a material impact
Amendments to IRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	January 1, 2018	Unlikely there will be a material impact

3. PREPAIDS AND OTHER RECEIVABLES

Item	December 31 2017 USD	December 31 2016 USD
Current		
Supplier prepayments*	8 545 424	518 747
Tax prepayment**	63 811	62 011
Deposits and other receivables	343 209	22 100
	8 952 444	602 858
Non-current		
Environmental deposit in DRC***	242 466	242 466
Tax prepayment**	221 273	202 402
	463 739	444 868

** Supplier prepayments relate to contractors and equipment ordered for the mine under construction.*

***The tax prepayment relates to costs incurred by the Group's subsidiary in the DRC on upgrading a public road in the DRC. It has been agreed that this expenditure can be off-set against future provincial taxes due by the Group's subsidiary in the DRC.*

****The environmental deposit in the DRC relates to funds deposited with the central bank in the DRC. These funds will be utilised toward any future environmental rehabilitation activities. The deposit will be returned to the Company in the event that the funds are not utilised.*

4. CONSUMABLE STORES

	December 31 2017 USD	December 31 2016 USD
Consumables	1 155 564	393 685

Consumable stores consist of inventories of diesel, personal protective equipment and road building supplies. These items are likely to be capitalised as part of development activities when they are consumed as part of the mine under construction.

5. PLANT AND EQUIPMENT

Depreciation	Computers and equipment USD	Land USD	Motor vehicle USD	Plant and machinery USD	Total USD
Cost					
Balance, January 1, 2016	64 709	-	199 496	276 516	540 721
Additions	31 669	271 029	212 518	245 320	760 536
Disposals	(12 331)	-	(7 000)	-	(19 331)
Balance, December 31, 2016	84 047	271 029	405 014	521 836	1 281 926
Additions	36 008	233 103	609 379	2 433 845	3 312 335
Disposals			(13 000)		(13 000)
Balance, December 31, 2017	120 055	504 132	1 001 393	2 955 681	4 581 261
Accumulated depreciation					
Balance, January 1, 2016	(13 866)	-	(87 253)	(29 342)	(130 461)
Depreciation during the year	(20 202)	-	(57 696)	(33 871)	(111 769)
Disposals	4 452	-	1 896	-	6 348
Balance, December 31, 2016	(29 616)	-	(143 053)	(63 213)	(235 882)
Depreciation during the period	(18 530)	-	(184 263)	(84 780)	(287 573)
Disposals			10 021	-	10 021
Balance, December 31, 2017	(48 146)	-	(317 295)	(147 993)	(513 434)
Net closing value					
Balance, December 31, 2016	54 431	271 029	261 961	458 623	1 046 044
Balance, December 31, 2017	71 909	504 132	684 098	2 807 688	4 067 827

6. MINE UNDER CONSTRUCTION

	December 31, 2017 USD
Balance January 1, 2016 and 2017	-
Transfer from Exploration and Evaluation Assets (Note 7)	97 529 580
Rehabilitation and closure asset (Note 12)	1 974 894
	99 504 474

Mine under construction relates to the Company's Bisie Tin Project in the DRC. This asset was reclassified from Exploration and Evaluation assets during December 2017, after an impairment assessment had been performed (refer to Note 7 for additional information). Mines under construction are not depreciated until construction is completed. This is signified when the mining project has reached a pre-determined level of operating capacity as intended by management. Revenues realized before commencement of commercial production ("pre-commercial production revenue") are recorded as a reduction of the respective mining asset.

7. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets consist of:

	Bisie USD
Project acquisition costs	
January 1, 2016	33 822 040
Reallocation to mine under construction (Note 6)	(33 822 040)
	-
Capitalised exploration costs:	
January 1, 2016	28 665 260
Costs incurred during the year	7 462 449
Reallocation of tax receivable	1 018 442
December 31, 2016	37 146 151
January 1, 2017	37 146 151
Costs incurred during the year	28 762 839
Reallocation to mine under construction (Note 6)	(63 707 540)
December 31, 2017	2 201 450
Total Exploration and Evaluation Assets:	
Balance, December 31, 2016	70 968 191
Balance, December 31, 2017	2 201 450

Exploration and evaluation assets remaining on the balance sheet at year end relate to expenses incurred on the Company's exploration license and at the Mpama South deposit.

A. BISIE PROJECT

The Company owns an indirect 80.75% interest in Alphamin Bisie Mining SA (formerly MPC SARL), a company incorporated in the Democratic Republic of the Congo and the holder of five exploration permits and one mining/exploitation permit constituting the Bisie Tin Project. The mining permit is valid until 2045. See related parties Note 10 for further information on the ownership of Alphamin Bisie Mining SA.

B. AGREEMENT TO ACQUIRE ADJOINING BISIE PROJECT MINING LICENSE IN DEMOCRATIC REPUBLIC OF THE CONGO

During September 2013, the Company entered into an agreement to acquire an exploration license, which adjoins its Bisie Project in North Kivu Province of the Democratic Republic of the Congo. The Company has paid USD975 000 to date, including an installment of USD100 000 in June 2017. The final payment due under the terms of the agreement is USD50 000 by June 30, 2018. The Company has the right to withdraw at any stage.

C. IMPAIRMENT ASSESSMENT

During the year under review the Company continued with its process of exploring and evaluating its Exploration and Evaluation Assets. In December 2017, the Company assessed the technical feasibility and commercial viability of its Bisie Project, together with the availability of project funding, and formally approved the commencement of full scale development activities, resulting in the reclassification of the Exploration and Evaluation Asset to Mine under construction within non-current assets.

Immediately prior to the reclassification to Mine under construction, an impairment assessment of the carrying value of the Exploration and Evaluation asset was performed. The recoverable amount of the Exploration and Evaluation Asset was determined under the 'Income Approach' using a Discounted Cash Flow (DCF) model based on the latest feasibility studies as supported by geological studies and input from independent mining engineers and competent persons.
The following key assumptions were used in the DCF model:

- Life of mine of 12.5 years
- Average long term real tin price of US$ 21,700 per ton
- Real post-tax discount rate of 8%

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Based on the above base case assumptions, no impairment provision was required. In addition, the following sensitivity analyses were considered:

- A 15% reduction in the assumed average long term real tin price
- Real post-tax discount rates ranging between 10% and 17%

Based on the above sensitivity analyses, no impairment provision was required in any of the above scenarios, individually and in aggregate.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017 USD	December 31, 2016 USD
Accounts payable	4 096 766	586 409
Accrued liabilities	1 607 896	36 184
Payroll accruals	50 446	33 500
Payroll and withholding tax liabilities	210 707	340 222
	5 965 815	996 315

Accounts payable and accrued liabilities are mainly comprised of amounts outstanding for purchases relating to exploration, evaluation and development activities and amounts payable for professional services. The credit term period for purchases typically ranges from 30 to 120 days.

9. CAPITAL STOCK AND RESERVES

A. CAPITAL STOCK

The authorised capital stock of the Company consists of an unlimited number of common shares without par value, of which 522 251 209 common shares were issued and outstanding at December 31, 2017.

B. CHANGES IN ISSUED CAPITAL STOCK AND RESERVES DURING THE YEAR ENDED DECEMBER 31, 2017

I. During the quarter ended March 31, 2017, 750 000 stock options expired.

II. On July 19, 2017, the Company raised gross proceeds of CAD$28,879,947 (USD$22,324,136) via a private placement of 82,514,134 units (the "Units") at a price of CAD$0.35 per Unit. Each Unit consisted of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of CAD$0.4375 until July 18, 2020. Accordingly, a total of 41,257,065 warrants were issued in the private placement. All securities sold in the offering were subject to a hold period which expired on November 19, 2017. The expiry date of the Warrants may be accelerated by the Company at any time following the 12 month anniversary of the closing date of the Offering if the volume-weighted average trading price of the Common Shares is greater than C$0.73 for any 15 consecutive trading days, at which time the Company may accelerate the expiry date of the Warrants by issuing a press release announcing the reduced warrant term whereupon the Warrants will expire on the 15th calendar day after the date of such press release. Share issue costs of $717 402 were incurred and offset against Capital Stock.

III. On July 25, 2017 the Company issued 4,984,800 stock options.

IV. On December 15, 2017 the Company raised gross proceeds of US$2,538,736 via a private placement of 9 951 178 units (the "Units") at a price of ZAR3.40 per share, following a secondary inward listing on the Johannesburg Stock Exchange Alt.X board. Each Unit consisted of one common share and one half common share purchase warrant (each whole

9. *CAPITAL STOCK AND RESERVES (CONTINUED)*

warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company. The exercise price of the Warrant will be the ZAR equivalent of CAD$0.40 on the day before the Warrant is exercised. Share issue costs of $360 754 were incurred and offset against Capital Stock.

C. CHANGES IN ISSUED CAPITAL STOCK AND RESERVES DURING THE YEAR ENDED DECEMBER 31, 2016 WERE AS FOLLOWS:

V. During the quarter ended March 31, 2016 1,000,000 stock options were forfeited.
VI. During the quarters ended June 30, 2016 and December 31, 2016 5,420,001 stock options expired.
VII. During the quarters ended September 30, 2016 and December 31, 2016 2,749,999 stock options were exercised.
VIII. During the quarter ended December 31, 2016 1,149,839 stock options were issued.
IX. During the quarter ended September 30, 2016 10,833,332 warrants were exercised.
X. During the quarters ended September 30, 2016 and December 31, 2016 36,683,329 shares were issued for a total consideration of $8,498,040 USD at a price of CAD$0.30 per share, pursuant to the private placement announced on September 8, 2016.

D. STOCK OPTIONS

A summary of the stock option plan and principal terms is set out below.

The Plan provides that the number of common shares that may be purchased under the Plan is a rolling maximum which shall not exceed 10% of the issued and outstanding shares of the Company at any time, with appropriate substitutions and/or adjustments in accordance with regulatory policies if there is a change in the number of issued and outstanding shares resulting from a share split, consolidation, or other capital or corporate reorganisation. Per TSX Venture Exchange (TSX-V) policies, the total amount of shares reserved for issuance to any one optionee within a period of 12 months shall not exceed 5% of the outstanding common shares at the time of grant, the total amount of shares reserved for issuance to any one Consultant (as defined by the Plan) within a period of 12 months shall not exceed 2% of the outstanding common shares at the time of grant, and the total amount of shares reserved for all persons conducting Investor Relations Activities (as defined by the Plan) within a period of 12 months shall not exceed 2% of the outstanding common shares at the time of the grant.

The Plan provides that it is solely within the discretion of the Board of Directors (the "Board") to determine which directors, employees and other service providers may be awarded options under the Plan, and under what terms they will be granted, as well as any amendments or variations to these terms in the event of an Accelerated Vesting Event (as defined by the Plan). Options granted under the Plan will be for a term not exceeding ten years from the day the option is granted, as in line with TSX-V policies. Subject to such other terms or conditions that may be attached to the particular option granted, an option shall only be exercisable so long as the optionee shall continue to hold office or provide services to the Company and shall, unless terminated earlier, or extended by the Board, terminate immediately if said optionee is terminated for cause, terminate at the close of business on the date which is no later than 90 calendar days after cessation of office or employment, or in the case of the optionee's death, terminate at the close of business on the date which is no later than one year after the date of death, as the case may be. Subject to a minimum price of CAD$0.10, the options will be exercisable at a price which is not less than the Market Price (as defined in the policies of the TSX-V) of the Company's shares at the time the options are granted. The options are non-assignable. Shares will not be issued pursuant to options granted under the Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options. A summary of stock option activity and information concerning currently outstanding and exercisable options as at December 31, 2017 are as follows

9. CAPITAL STOCK AND RESERVES (CONTINUED)

	Options outstanding	
	Number of options #	Weighted average exercise price CAD$
Balance, December 31, 2015	12 197 115	0.30
Options granted during the year	1 149 839	0.23
Options exercised during the year	(2 749 999)	0.22
Options expired during the year	(5 420 001)	0.34
Options forfeited during the year	(1 000 000)	0.25
Balance, December 31, 2016	4 176 954	0.29
Options expired during the year	(750 000)	0.65
Options issued during the year	4 984 800	0.35
Balance, December 31, 2017	8 411 754	0.29

The following table summarises information concerning outstanding and exercisable options at December 31, 2017:

			Options outstanding and exercisable	
Number outstanding #	Number exercisable #	Expiry date	Weighted average exercise price CAD$	Remaining life (years)
1 518 077	759 039	Aug 15, 2020	0.20	2.62
759 038	379 519	Oct 19, 2020	0.20	2.80
759 038	113 856	Apr 15, 2021	0.20	3.29
390 801	58 620	Oct 15, 2021	0.30	3.79
4 984 800	-	July 25, 2022	0.35	4.57
8 411 754	887 550		0.29	

All options vest over a three-year period (15% after one year, 35% after two years and 50% after three years). Options expire five years after the date of issue.

The Company recorded a share-based payment expense to the statement of loss and comprehensive loss of USD243 792 for the year ended December 31, 2017 (USD153 184 for the year ended December 31, 2016).

The share-based payments expense related to options granted was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	July 2017	October 2016	April 2016
Forfeiture rate	-	-	-
Risk free interest rate	1.38%	0.67%	0.58%
Expected life of options in years	3.00	3.00	3.00
Volatility*	114.20%	137.61%	138.50%
Dividend rate	0.00%	0.00%	0.00%

**Calculated as standard deviation of the Company’s historical share price*

9. CAPITAL STOCK AND RESERVES (CONTINUED)

E. SHARE PURCHASE WARRANTS

A summary of warrants activity and information concerning outstanding warrants as at December 31, 2017 are as follows:

	Warrants outstanding	
	Number of warrants #	Weighted average exercise price CAD$
Balance, December 31, 2015	10 883 332	0.25
Warrants issued	-	-
Warrants exercised	(10,833,332)	0.25
Balance, December 31, 2016	-	-
Warrants issued on July 19, 2017	41 257 065	0.4375
Warrants issued on December 15, 2017	4 975 589	0.4000
Balance, December 31, 2017	46 232 654	0.4335

The 41 257 065 warrants attached to the units issued in the July 19, 2017 and the 4 975 589 warrants attached to the units in the December 15, 2017 private placements were accounted for as a financial liability. See Note 11 for further details.

F. TRANSACTION WITH NON-CONTROLLING INTEREST

The issue of shares in Alphamin Bisie Mining SA (ABM) to the Industrial Development Corporation of South Africa (IDC) for USD7 000 000 during the year ended December 31, 2015 was accounted for as a shareholder transaction resulting in an increase of the non-controlling interest of USD6 996 951. The balancing USD3 049 was taken to equity in line with IFRS 10. The receipt of the third tranche from the IDC in the amount of USD3 000 000 in May 2016 resulted in an additional increase in the non-controlling interest of USD2 798 969. The balancing USD201 031 was taken to equity in line with IFRS 10. See Note 10 for additional information. The IDC invested an additional USD6 613 152 in ABM in December 2017. The transaction was accounted for as a shareholder transaction resulting in an increase of the non-controlling interest of USD8 229 107. The balancing USD1 615 955 was taken to equity in line with IFRS 10. Alphamin, the IDC and the DRC government maintained their 80.75%, 14.25% and 5% interests in ABM following the 2017 transaction.

10. RELATED PARTY TRANSACTIONS

KEY MANAGEMENT PERSONNEL

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Remuneration attributed to key management personnel can be summarised as follows:

Item	Relationship	December 31 2017 USD	December 31 2016 USD
Director and Officer fees	Directors, officers	875 815	999 568
Secretarial and administrative fees	Corporate Secretary	36 000	53 500
Share based payments	Directors, officers	154 003	153 184

Total current amounts due to related parties of USD304 468 (December 31, 2016 – USD190 833) are due or accrued to officers and directors.

10. *RELATED PARTY TRANSACTIONS (CONTINUED)*

Non-current amounts due to related parties of USD3 150 071 (December 31, 2016 – Nil) are due to Tremont Master Holdings. The amount includes long term debt of US3 125 000 and capitalized interest due of USD25 071. See Note 13 for further details.

In line with the DRC mining code, the Company's subsidiary Alphamin Bisie Mining SA (ABM) granted 5% of its share capital to the Government of the DRC during the 2015 financial year. To facilitate this ABM divided their share capital into two classes, "A" shares and "B" shares. The "B" shares are intended to be held solely by the Government of the DRC and are non-dilutable at 5% of total share capital ("A" plus "B") in issue. "B" class shares have normal voting rights on a pro rata bases and the DRC Government has a right to appoint one director to the ABM board. The 5% is a free carry under the terms of the DRC mining code, hence the DRC Government is not required to contribute on granting of their initial holding or further issues to maintain their stake at 5%. The percentage is fixed under the DRC mining code and management does not anticipate any changes in this regard in the short to medium term.

In November 2015, the Company entered into an agreement with the Industrial Development Corporation of South Africa Limited (IDC) pursuant to which the IDC could invest up to USD10 000 000 directly into ABM, in three tranches, subject to the completion of certain milestones. As at the 2016 financial year end the Company had received all tranches, resulting in an ownership in ABM of 14.25% by the IDC. Under the terms of the shareholders' agreement the IDC were granted an "offtake option". Under the offtake option the IDC is entitled, as long as it owns 11% or more of ABM "A" class shares, to an option to purchase from ABM a portion of the Company's mineral production. The percentage of production that the IDC wishes to acquire, cannot exceed their percentage holding in the "A" class shares of ABM at the date of exercise. The IDC shall only be able to benefit from the "offtake option" if the relevant percentage of the Company's production is not already committed to other buyers in respect to the relevant period. In December 2017 the IDC invested an additional USD6.6m in ABM as part of a share issuance in which all shareholders maintained their pro rata share.

The offtake acquired can only be for a minimum of six months and a maximum of twelve months and must be purchased at the same average price and other terms as ABM is able to, and would otherwise intend to, sell its product to other third-party purchasers. The "offtake option" is not transferrable. Under the terms of the shareholders' agreement, a qualifying "seller", defined as a shareholder, or two or more shareholders acting together, holding more than 50% of the "A" class shares of ABM, has drag along and tag along rights that are normal in transactions of this nature.

The IDC has also granted pre-emption rights to the other "A" class shareholders, entitling them to a right of first refusal on any partial or full sale of their shares.

The IDC may propose (but is not obliged) at any time during the "Exit Period" that Alphamin Resources acquire all, but not less than all of its shares in exchange for shares in Alphamin Resources (the Share Swap), which shall be based on the then fair market value of the "A" class shares, and on terms to be mutually agreed to by Alphamin Resources and the IDC. The "Exit Period" refers to the earlier of five years from the date of signature, or one year from the date the Bisie Tin Project reaches 90% of its intended maximum production, having been fully funded and fully implemented.

11. WARRANTS

On July 19, 2017 and December 15, 2017, the Company issued 41 257 065 and 4 975 589 warrants in the respective private placements as outlined in Note 9. The Company assessed the conditions of these warrants in terms of IAS 32 and IAS 39 and concluded that, as a result of the currency of the warrants (CAD$) being different to that of the Company's functional and presentation currency (USD), coupled with the fact that the warrants were issued as part of a private placement, rather than a rights issue, that the warrants need to be accounted for as a financial liability with fair value through

11. WARRANTS (CONTINUED)

profit and loss. The warrants were valued on the date of issue and the related fair value of USD5 312 090 and USD452 230 respectively was raised as a liability (the balance of the cash received in the respective private placements was accounted for in equity as Capital Stock). The Company valued the warrants using the Black-Scholes pricing model with the assumptions below.

	December 15, 2017	July 19, 2017
Strike price	CAD$0.40	CAD$0.4375
Risk free interest rate	1.24%	1.24%
Expected life of options in years	3.00	3.00
Annualised volatility	70%	70%
Dividend rate	0.00%	0.00%

The warrants were revalued on December 31, 2017 using the same valuation methodology as described above and, on that date, the fair value of the warrants was calculated at USD3 476 167. The movement in the warrant liability was credited to the statement of loss and comprehensive loss (Year ended December 31, 2017: Credit of USD2 288 153). The use of an option pricing model to determine the fair value of these warrants falls within Level 2 of IFRS 13's fair value hierarchy: Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

12. PROVISION FOR CLOSURE AND RECLAMATION

The Company recognizes a provision related to its constructive and legal obligations in the Congo to restore its properties. The cost of this obligation is determined based on the expected future level of activity and costs related to decommissioning the mines and restoring the properties. The provision for the Bisie mine is calculated at the net present value of the estimated future undiscounted cash flows using an interest rate of 3.63% (December 31, 2016 –Nil) a mine life of 14 years and estimated future undiscounted liability of USD6 651 000 (December 31, 2016 - Nil). The Company recognized a corresponding asset classified as mine under construction.

	BISIE
Balance, December 31, 2015 and 2016	-
Additions during the year	1 974 894
Balance, December 31, 2017	1 974 894

13. LONG TERM DEBT

On November 9, 2017 the Company entered into a credit facility of up to US$80 million from a syndicate of lenders for the construction of the Bisie Tin Mine. The credit facility provided for an initial advance of US$10 million, which was drawn down in December 2017. The balance of US$70 million will become available following the satisfaction of certain subsequent conditions precedent, including, inter alia, the Company completing an equity financing of a minimum of US$50 million net of associated costs ("equity financing"), US$ 41.6 million of which was raised post year end.

The key terms of the credit facility are:

1. US$80 million senior secured, non-revolving term credit facility
2. Available, subject to fulfilment of conditions precedent, for an 18-month period following the initial advance date
3. Five-year term commencing on the initial advance date
4. Coupon of 14 percent plus the greater of US dollar 3-month LIBOR and 1 percent per annum
5. Interest to be capitalized until the earlier of achievement of commercial production and 24 months following the initial advance date, repayable monthly thereafter

13. LONG TERM DEBT (CONTINUED)

6. No principal repayments until March 31, 2020, with repayments thereafter in 11 equal quarterly instalments
7. Cash sweep of 30 percent of excess cash flow with effect from April 30, 2020
8. Work fee of 2.9 percent payable as to 50 percent upon the initial advance and the balance upon the first subsequent advance
9. Transaction costs of US$1.77 million to be paid upon the later of the initial advance and completion of the equity financing and US$2.23 million to be paid pro rata on subsequent advances
10. Termination payment in certain circumstances, not to exceed value of work fee and bonus shares not previously paid
11. A post year end amendment to the credit facility provides for a First Subsequent drawdown in the amount of USD25 000 000 following completion of an equity financing for a minimum of USD43 000 000. The US43m financing was completed on January 22, 2018.
12. A security package typical for a transaction of this nature including a mortgage over the Company's shares in each subsidiary, cash balances, moveable assets and the mining license PE1355 covering the Mpama North Tin Project.

Of the USD$80 million facility, $25 million will be provided by Tremont Master Holdings, a 44% shareholder in the Company. Tremont will also receive their pro rata share of applicable fees and accrued interest.

Long-term debt	Related party debt USD	Non-related party debt USD	Total USD
Balance, December 31, 2015 and 2016	-	-	-
Drawdowns during the year	3 125 000	6 875 000	10 000 000
Capitalised interest	25 071	45 731	70 802
Balance, December 31, 2017	3 150 071	6 920 731	10 070 802

14. SEGMENTED INFORMATION

The Company considers its business to consist of one reportable operating segment, being the acquisition, exploration, evaluation and if warranted, development of mineral deposits. As at reporting date, substantially all of the Company's plant and equipment and Exploration and Evaluation Assets were located in the Democratic Republic of the Congo. In assessing potential operating segments, the Company has considered the information reviewed by the Chief Operating Decision Maker (CODM). The Company has identified the Board of Directors as the CODM and is satisfied that the information as presented in the financial statements is the same as that assessed by the CODM for management reporting purposes. The Company has one asset, in one commodity in one country.

15. INCOME TAX

In Mauritius, Alphamin Resources Corp. is a *Category 1 Global Business License Company* for the purpose of the Financial Services Act 2007. The Company is subject to income tax at 15%. It is, however, entitled to a tax credit equivalent to the higher of foreign taxes paid and 80% of the Mauritius tax on its foreign source income, leaving a maximum effective tax rate of 3%. Capital gains of the Company are exempt from tax in Mauritius. At December 31, 2017, the Company was not liable for income tax as it had not generated any taxable income to date. The Company does not recognise a deferred tax asset in respect of tax losses brought forward due to uncertainty around the future recoverability of such losses.

In the DRC, Alphamin Bisie Mining is exposed to a tax rate for mining companies of 30%. This is the main operating subsidiary of the group. At December 31, 2017, the Company was not liable for income tax as it had not generated any taxable income to date. The Company does not recognise a deferred tax asset in respect of tax losses brought forward due to uncertainty around the future recoverability of such losses.

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration, evaluation and development of its mining properties and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk. The Company currently depends on shareholder equity and the recently secured credit facility for up to USD 80 000 000. The capital structure of the Company currently consists of common shares, stock options, share purchase warrants and long-term debt. Changes in the equity accounts of the Company are disclosed in Note 9 and changes in long term debt is disclosed in Note 13. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, obtain additional 3rd party loan financing or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are approved by the Board of Directors and updated as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets and 3rd party financing to fund continued exploration, evaluation and development of its mining properties and the future growth of the business.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks, since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities. The Company places its cash with high credit quality financial institutions.

A. CREDIT RISK

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimise its exposure to credit risk. Company management evaluates credit risk on an ongoing basis, including evaluation of counterparty credit rating, monitoring activities related to trade and other receivables and counterparty concentrations measured by amount and percentage. The primary source of credit risk for the Company arises from the following financial assets: (1) cash and cash equivalents and (2) other receivables. The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At December 31, 2017, the Company has no financial assets that are past due or impaired due to credit risk defaults. As at period end substantially all of the cash and cash equivalents balance was concentrated with Standard Bank group. Standard Bank's average credit rating is BBB+. The Company's maximum exposure to credit risk at the reporting date is as follows:

Item	December 31, 2017 USD	December 31, 2016 USD
Cash and cash equivalents	7 236 425	8 648 895
Other receivables – current	343 209	22 100
Other receivables – non-current	242 466	242 466
Total	7 822 100	8 913 461

B. LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of long term debt, accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company manages its liquidity risk by maintaining a sufficient cash balance to meet its anticipated operational needs. When there are not sufficient funds, the Company has the ability to reduce or delay its exploration, evaluation, development and corporate spending to preserve liquidity. The Company's long-term debt was obtained to facilitate the development of the mining properties (refer to Note 6). Refer to Note 9 for additional information on repayment terms. The Company's accounts payable and accrued liabilities arose as a result of exploration, evaluation, development and corporate expenses. Payment terms on these liabilities are typically 30 to 120 days from receipt of invoice and do not generally bear interest. The following table summarises the remaining contractual maturities of the Company's financial liabilities:

	Within 0 to 120 days 2017 USD	After more than 12 months 2017 USD	Within 0 to 120 days 2016 USD
Long term debt	-	6 920 731	-
Long term debt – related parties	-	3 150 071	-
Provision for closure and reclamation	-	1 974 894	-
Accounts payable and accrued liabilities	5 755 108	-	656 093
Accounts payable and accrued liabilities – related parties	304 468	-	190 833

C. MARKET RISK

Market risk is the risk that the fair value for assets or future cash flows will fluctuate, because of changes in market conditions. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. Other than the possible impact on the recoverable amount of the Company's mining properties carried under non-current assets, the Company's operating cash flows and financial instruments are not currently exposed to commodity price risk. The fair value movements accounted for warrants (refer Note 11) are non-cash in nature.

Foreign Exchange Risk

The Company operates on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. The Company is exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in Canadian dollars (CAD$). A 10% fluctuation in the USD against the Canadian dollar would affect the net loss and foreign currency translation reserve by insignificant amounts.

A significant portion of the Company's development expenditure is exposed to the South African Rand (ZAR). A significant fluctuation in the ZAR:US$ exchange rate would have a relatively material impact on the cost of development.

Interest Rate Risk

As at December 31, 2017 the Company had drawn down US$ 10 000 000 against its long-term debt facility (refer Note 13). These loans are exposed to variable interest rates. Finance costs are capitalised to Mine under construction during the development phase of the project. A 1% change in the variable interest rates would not have had a material impact on the finance cost capitalised during the 2017 financial year. The Company does not earn significant interest on cash balances.

D. FAIR VALUE MEASUREMENT

At December 31, 2017 and December 31, 2016, the carrying values and the fair values of the Company's financial instruments are shown in the following table.

17. *FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)*

	December 31, 2017 Carrying value USD	December 31, 2017 Fair value USD	December 31, 2016 Carrying value USD	December 31, 2016 Fair value USD
Financial assets				
Cash and cash equivalents	7 236 425	7 236 425	8 648 895	8 648 895
Other receivables – current	343 209	343 209	22 100	22 100
Other receivables – non-current	242 466	242 466	242 466	242 466
Financial liabilities				
Long term debt	6 920 731	6 920 731	-	-
Long term debt – related parties	3 150 071	3 150 071	-	-
Provision for closure and reclamation	1 974 894	1 974 894	-	-
Accounts payable and accrued liabilities	5 755 108	5 755 108	656 093	656 093
Accounts payable and accrued liabilities – related parties	304 468	304 468	190 833	190 833
Warrants	3 476 167	3 476 167	-	-

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 – inputs that are not based on observable market data.

The fair value of the Company's financial assets and financial liabilities approximate their carrying values (all within Level 3 of the fair value hierarchy).

18. HEADLINE AND DILUTED HEADLINE LOSS PER SHARE

The Company's shares are also listed on the Johannesburg Stock Exchange Alt.X which requires the Company to present headline and diluted headline loss per share. Headline loss per share is calculated by dividing headline loss attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the year. Diluted headline loss per share is determined by adjusting the weighted average number of shares for all potential dilutive effects. For the years ended December 31, 2017 and 2016, the Company's diluted headline loss per share is identical to the headline loss per share as inclusion of stock options and warrants would be anti-dilutive. The following table summarises the adjustments to loss attributable to equity shareholders for the purposes of the calculation.

	2017 USD	2016 USD
Loss attributable to equity shareholders	2 742 787	4 327 531
Adjusted for;		
Loss on disposal of property, plant and equipment	1 479	482
Headline loss attributable to equity shareholders of the company	2 744 266	4 328 013
Weighted average number of shares issued and outstanding	467 411 388	391 064 245
Headline loss and diluted headline loss per share	0.01	0.01

19. SIGNIFICANT OPERATING SUBSIDIARIES WITH NON-CONTROLLING INTEREST

The table below shows details of the non-wholly owned subsidiary of the Group that had material non-controlling interests:

	Proportion of ownership and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
Company	**December 31, 2017**	**December 31, 2016**	**December 31, 2017 USD**	**December 31, 2016 USD**	**December 31, 2017 USD**	**December 31, 2016 USD**
Alphamin Bisie Mining SA	19.25%	19.25%	(1 262 169)	(1 023 949)	17 970 282	11 003 344

Summarised financial information in respect of the above subsidiaries is set out below.
The summarised financial information below presents amounts before intra-group elimination.

	December 31, 2017 USD	**December 31, 2016 USD**
Current assets	16 569 426	2 482 086
Non-current assets	57 279 742	26 772 319
Total assets	**73 849 168**	**29 254 405**
Current liabilities	4 248 294	8 998 786
Non-current liabilities	10 072 802	-
Equity	59 530 072	20 255 619
Total liabilities and equity	**73 849 168**	**29 254 405**
Operating expenses	(6 515 181)	(5 765 574)
Income tax expenses	-	-
Net loss for the year	**(6 556 722)**	**(5 765 574)**
Attributable to owners of the Company	(5 294 553)	(4 741 625)
Attributable to non-controlling interests	(1 262 169)	(1 023 949)

20. SUBSEQUENT EVENTS

Subsequent to the year end the Company announced that it had completed brokered and non-brokered private placements for gross proceeds of USD41 592 299 via an issue of 165 047 306 units. Each unit comprised one common share and one-half share warrant. Concurrently, the Company settled debt for shares through the issue of 4 746 091 units. Each unit was priced at CAD$0.32.

On January 22, 2018 the Company entered into an offtake agreement with Gerald Metals group whereby Gerald Metals shall buy all product produced by the Alphamin Bisie Tin Project for at least the first five years of production linked to LME selling prices.