



MIDDLE EAST DIAMOND RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 2001/006539/06)

JSE share code: MED

ISIN: ZAE000211876

("MEDR" or "the company" or "the group")

**RESTATED CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

Condensed consolidated statement of financial position as at 29 February 2016

	Notes	GROUP			COMPANY		
		Year ended 29 Feb 2016 (audited) Restated	Year ended 29 Feb 2016 (audited)	Year ended 28 Feb 2015 (audited)	Year ended 29 Feb 2016 (audited)	Year ended 29 Feb 2016 (audited)	Year ended 28 Feb 2015 (audited)
Figures in Rands							
Assets							
Non-current assets							
Plant and equipment		-	-	238 993	-	-	-
Intangible assets		-	-	1 200 000	-	-	-
Investments in subsidiaries		-	-	-	-	-	46 865 696
Financial assets		249 515	403 295	687 033	-	-	15 663 703
		249 515	403 295	2 126 026	-	-	62 529 399
Current assets							
Loans to previous group companies		1 384 510	-	-	-	-	-
Trade and other receivables		212 915	212 915	251 681	-	-	-
Cash and cash equivalents		399 716	400 916	33 198	-	-	-
		1 997 141	613 831	284 879	-	-	-
Total assets		2 246 656	1 017 126	2 410 905	-	-	62 529 399
Equity and liabilities							
Capital and reserves							
Share capital		99 468 435	99 468 435	87 889 857	317 605 140	317 605 140	306 026 563
Other reserves		-	-	1 778 618	-	-	1 778 618
Accumulative loss		(100 295 248)	(101 199 790)	(100 928 894)	(318 605 140)	(318 605 141)	(255 451 951)
Equity attributable to owners of the parent		(826 813)	(1 731 354)	(11 260 419)	(1 000 000)	(1 000 000)	52 353 230
Non-controlling interests		(12 969)	(337 958)	(88 578)	-	-	-
Total equity		(839 782)	(2 069 312)	(11 348 997)	(1 000 000)	(1 000 000)	52 353 230
Non-current liabilities							
Other financial liabilities		-	-	7 643 618	-	-	6 295 056
Deferred present value adjustment		-	-	3 704 944	-	-	3 704 944
		-	-	11 348 562	-	-	10 000 000
Current liabilities							
Other financial liabilities		-	-	967 089	-	-	-
Trade and other payables		3 086 438	3 086 438	1 444 251	1 000 000	1 000 000	176 169
		3 086 438	3 086 438	2 411 340	1 000 000	1 000 000	176 169
Total liabilities		3 086 438	3 086 438	13 759 902	1 000 000	1 000 000	10 176 169

Total equity and liabilities		2 246 656	1 017 126	2 410 905	-	-	62 529 399
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Condensed consolidated statement of comprehensive income for the year ended 29 February 2016

	Notes	GROUP			COMPANY		
		Year ended 29 Feb 2016 (audited) Restated	Year ended 29 Feb 2016 (audited)	Year ended 28 Feb 2015 (audited)	Year ended 29 Feb 2016 (audited) Restated	Year ended 29 Feb 2016 (audited)	Year ended 28 Feb 2015 (audited)
Figures in Rands							
Continuing operations							
Other income		7 523 397	7 523 397	2 092 182	4 176 169	4 176 169	41 231 264
Operating expenses		(8 343 402)	(8 343 403)	(4 889 592)	(65 948 279)	(67 329 359)	(136 601 287)
Operating loss		(820 005)	(820 007)	(2 797 410)	(61 772 110)	(63 153 190)	(95 370 023)
Finance income		-	1 381 080	402 750	-	1 381 080	402 750
Finance costs		(1 475 494)	(1 475 494)	(516 873)	(1 381 080)	(1 381 080)	(402 750)
Loss before income tax		(2 295 499)	(914 421)	(2 911 533)	(63 153 190)	(63 153 190)	(95 370 023)
Income tax		-	-	-	-	-	-
Loss for the year from continuing operations		(2 295 499)	(914 421)	(2 911 533)	(63 153 190)	(63 153 190)	(95 370 023)
Discontinued operations							
Profit/(loss) for the year from discontinued operations		2 617 147	331 525	(12 425 744)	-	-	-
Profit/(Loss) for the year		321 648	(582 896)	(15 337 277)	(63 153 190)	(63 153 190)	(95 370 023)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive profit/(loss) for the year		321 648	(582 896)	(15 337 277)	(63 153 190)	(63 153 190)	(95 370 023)
Total comprehensive profit/(loss) attributable to:							
Owners of the parent		633 648	(270 896)	(15 336 554)			
Non-controlling interest		(312 000)	(312 000)	(723)			
		321 648	(582 896)	(15 337 277)			
Basic earnings/(loss) per share (cents)		0,13	(0,24)	(7,43)			
<i>From continuing operations (cents)</i>		(0,93)	(0,37)	(1,41)			
<i>From discontinued operations (cents)</i>		1,06	0,13	(6,02)			
Diluted basic earnings/(loss) per share (cents)		0,13	(0,24)	(7,43)			
<i>From continuing operations (cents)</i>		(0,93)	(0,37)	(1,41)			
<i>From discontinued operations (cents)</i>		1,06	0,13	(6,02)			
Headline loss per share		(6,07)	(5,52)	(7,43)			
<i>From continuing operations (cents)</i>		(3,76)	(3,21)	(1,41)			
<i>From discontinued operations (cents)</i>		(2,31)	(2,31)	(6,02)			
Diluted headline loss per share		(6,07)	(5,52)	(7,43)			
<i>From continuing operations (cents)</i>		(3,76)	(3,21)	(1,41)			
<i>From discontinued operations (cents)</i>		(2,31)	(2,31)	(6,02)			

Condensed consolidated statement of change in equity for the year ended 29 February 2016

Figures in Rands	Attributable to parent					
	Share capital	Accumulated loss	Share-based payment reserve	Total	Non-controlling interest	Total equity
Group						
Balance at 1 March 2014	85 747 232	(85 592 340)	-	154 892	(87 855)	67 037
Total comprehensive loss	-	(15 336 554)	-	(15 336 554)	(723)	(15 337 277)
<i>Transactions with owners in their capacity as owners of equity</i>						
Subscription for shares	12 142 625	-	-	12 142 625	-	12 142 625
Share incentive scheme charge	-	-	1 778 618	1 778 618	-	1 778 618
Balance at 1 March 2015	97 889 857	(100 928 894)	1 778 618	(1 260 419)	(88 578)	(1 348 997)
Familia loan restatement	(10 000 000)	-	-	(10 000 000)	-	(10 000 000)
Balance at 1 March 2015 (restated)	87 889 857	(100 928 894)	1 778 618	(11 260 419)	(88 578)	(11 348 997)
Total comprehensive loss	-	(270 896)	-	(270 896)	(312 000)	(582 896)
<i>Transaction with owners in their capacity as owners of equity</i>						
Subscription for shares	8 000 000	-	-	8 000 000	-	8 000 000
Capitalised costs on subscription	(245 218)	-	-	(245 218)	-	(245 218)
Share incentive scheme charge	-	-	2 045 178	2 045 178	-	2 045 178
Disposal of subsidiary	-	-	-	-	62 620	62 620
Transfer from other reserves	3 823 796	-	(3 823 796)	-	-	-
Balance at 29 February 2016 as previously reported	99 468 435	(101 199 790)	-	(1 731 355)	(337 958)	(2 069 313)
Correction of error		904 542		904 542	324 989	1 229 531
Balance at 29 February 2016 as restated	99 468 435	(100 295 248)	-	(826 813)	(12 969)	(839 782)
Company						
Balance at 1 March 2014	303 883 937	(160 081 927)	-	143 802 010	-	143 802 010
Total comprehensive loss	-	(95 370 023)	-	(95 370 023)	-	(95 370 023)
<i>Transactions with owners in their capacity as owners of equity</i>						
Subscription for shares	12 142 625	-	-	12 142 625	-	12 142 625
Share incentive scheme charge	-	-	1 778 618	1 778 618	-	1 778 618
Balance at 1 March 2015	316 026 562	(255 451 950)	1 778 618	62 353 230	-	62 353 230
Familia loan restatement	(10 000 000)	-	-	(10 000 000)	-	(10 000 000)
Balance at 1 March 2015 (restated)	306 026 563	(255 451 950)	1 778 618	52 353 230	-	52 353 230
Total comprehensive loss	-	(63 153 190)	-	(63 153 190)	-	(63 153 190)
<i>Transaction with owners in their capacity as owners of equity</i>						
Subscription for shares	8 000 000	-	-	8 000 000	-	8 000 000
Capitalised costs on subscription	(245 218)	-	-	(245 218)	-	(245 218)
Share incentive scheme charge	-	-	2 045 178	2 045 178	-	2 045 178
Transfer from other reserves	3 823 796	-	(3 823 796)	-	-	-
Balance at 29 February 2016	317 605 140	(318 605 140)	-	(1 000 000)	-	(1 000 000)

Condensed consolidated statement of cash flows for the year ended 29 February 2016

		GROUP			COMPANY		
		Year ended 29 Feb 2016 (audited) Restated	Year ended 29 Feb 2016 (audited)	Year ended 28 Feb 2015 (audited)	Year ended 29 Feb 2016 (audited)	Year ended 29 Feb 2016 (audited)	Year ended 28 Feb 2015 (audited)
Figures in Rands	Notes						
Cash flows from operating activities							
Cash utilised in operations		(8 920 358)	(8 920 360)	(12 619 551)	-	-	(269 744)
Dividends received		-	-	-	-	-	41 231 264
Finance costs paid		(94 414)	(94 414)	(114 123)	-	-	-
Net cash (utilised in)/generated from operating activities		(9 014 772)	(9 014 774)	(12 733 674)	-	-	40 961 520
Cash flows from investing activities							
Proceeds from disposal of plant and equipment		68 082	68 082	149 122	-	-	520 721
Cash outflow from disposal of subsidiary		(688 981)	(687 781)	-	-	-	-
Proceeds from disposal of loan account		100 000	100 000	-	-	-	-
Loan advanced from subsidiary		-	-	-	245 218	245 218	(53 634 441)
Loan advanced to subsidiary		-	-	-	(3 000 000)	(3 000 000)	-
Increase in financial assets		-	-	(123 527)	-	-	-
Net cash (utilised in)/generated from investing activities		(520 899)	(519 699)	25 595	(2 754 782)	(2 754 782)	(53 113 720)
Cash flows from financing activities							
Proceeds from shares issued		7 754 782	7 754 782	12 142 625	7 754 782	7 754 782	12 142 625
Payment of financial liabilities		(5 000 000)	(5 000 000)	-	(5 000 000)	(5 000 000)	-
Proceeds from financial liabilities		7 397 519	7 397 519	-	-	-	-
Loan advanced from related parties		-	-	695 000	-	-	-
Loan repaid to related parties		(55 000)	(55 000)	-	-	-	-
Loan repaid to director		(195 110)	(195 111)	(2 362)	-	-	-
Net cash from financing activities		9 902 191	9 902 190	12 835 263	2 754 782	2 754 782	12 142 625
Total cash movement for the period		366 520	367 718	127 184	-	-	(9 575)
Cash at the beginning of the period		33 196	33 198	(93 986)	-	-	9 575
Total cash at the end of the period		399 716	400 916	33 198	-	-	-

Notes to the Financial Information

1. Restatement of audited results for the year ended 29 February 2016

The restatement relates to errors in the financial statements for the year ended 29 February 2016.

There was a scheme of an arrangement in 2016 where certain companies in the group were derecognised. However, due to a different interpretation of certain statutory requirements, three companies in the group that should also have been derecognised, was not derecognised. The 2016 financial statements have now been restated to derecognise these subsidiaries. The subsidiaries were Fast Pace Trade and Invest 32 (Pty) Ltd, Ochre Shimmer Trade and Invest 72 (Pty) Ltd and Sable Platinum Joint Venture (Pty) Ltd.

Furthermore, there was incorrect classification between Finance income and Operating expenses.

The audited financial statements for the year ended 29 February 2016, which was released on SENS on 30 September 2016, has been restated as follows:

Group	Effect on Statement of Comprehensive Income R	Effect on Statement of Financial Position R
Increase in loans receivable from related parties (Debit)	0	1 384 510
Decrease in Outside Shareholders Interest (Credit)	0	(324 989)
Decrease in Financial Assets (Credit)	0	(153 779)
Decrease in Cash and cash equivalents (Credit)	0	(1 200)
Decrease in Finance Income (Debit)	1,381,080	0
Increase in profit from discontinued operations (Credit)	(2 285 622)	0
Company		
Decrease in Operating expenses	(1 381 080)	0
Decrease in Finance income	1 381 080	0

2. Auditors

This condensed consolidated financial statements was extracted from audited financial statements. The annual financial statements for the year ended 29 February 2016 were audited by PKF (VGA) Chartered Accountants. The annual financial statements for the year ended 29 February 2020, 28 February 2019, 28 February 2018 and 28 February 2017 were audited by Nexia SAB&T and who was responsible for auditing the restated financial statements for 29 February 2016.

3. Preparation of the Condensed Financial Statements

These results were prepared by Deon Botha CA (SA).

The directors take full responsibility for the preparation of the condensed report and that the financial information has been correctly extracted from the underlying annual financial statements.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'James Allan', with a horizontal line extending to the right.

James Allan
Chief Executive Officer

30 November 2020

Registered address

Kingsley Office Park
85 Protea Road
Chislehurst
Sandton, 2196
(PO Box 411130, Craighall, 2024)

Directors**Executive directors**

James Allan (Chief Executive Officer)
Deon Botha (Financial Director (part-time))

Non-executive directors

Abdulla Khalfan Humaid Nasser* (Non-executive Chairman)
Charles Mostert* (Lead Independent Director)
Eshaan Singh*
Said Tanawi*
Mohammed Bassam Al Mojarkesh*

**Independent*

Sponsor and corporate advisor

Exchange Sponsors (2008) Proprietary Limited
(Registration number 2008/019553/07)
44a Boundary Road
Inanda, 2196
(P O Box 411216, Craighall, 2024)

Date and place of incorporation of the company

Incorporated on 27 June 2001 in the Republic of South Africa

Company secretary

JUBA Statutory Services Proprietary Limited
(represented by Sirkien van Schalkwyk)
(Registration number 2010/006409/07)
Block B, Office 103
The Park Shopping Centre
837 Barnard Street
Elarduspark, 0181
(PO Box 4896, Rietvalleirand, 0174)

Transfer secretaries

Computershare Investor Services Proprietary Limited
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