25 May 2017

EDENVILLE ENERGY PLC

("Edenville" or the "Company")

Results for the year ended 31 December 2016

Edenville Energy plc (AIM:EDL), the company developing a coal project in south west Tanzania, is pleased to announce its audited results for the year ended 31 December 2016.

Highlights

- Granting of Mining Licence over the Mkomolo area in February 2016;
- Government of Tanzania announced a ban on imported coal into Tanzania providing the Company with additional sales opportunities;
- Positive results from bulk sampling programme;
- Advanced preparations for starting coal production;
- Power Project economic model produced;
- Environmental and Social Impact Assessment work undertaken; and
- Appointment of Dr. Jeff Malaihollo as Non-Executive Chairman.

Post Period Highlights

- Secured Memorandum of Understanding with Sinohydro Corporation of China;
- Raised £2m in March 2017 to start mining operations at Rukwa;
- Started mining operations and in the process of establishing a coal wash plant at site;
- Employed two engineering professionals to provide technical input and to oversee the development of the project; and
- Advances being made with the Power Project alongside Sinohydro.

Rufus Short, CEO of Edenville, commented: "2016 was a year of significant advancement for Edenville as we progress both our coal to power project and the shorter term coal sales opportunities. 2017 has started well and we look forward to having an operating wash plant and mining production to feed this in the coming months, built with no debt and opening up an exciting future ahead to build the business into a regional supplier of coal products. I am again very grateful for the support of our shareholders and partners throughout the year."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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Chairman's Statement

This is my first opportunity to write to you in an Annual Report as your new Chairman following my appointment in September 2016. Details of the Company's progress throughout 2016 is outlined in The Review of Operations below. Here I set these major operational achievements within the context of the Company's strategy.

The Rukwa Power Project in Tanzania ("Power Project") remains our major focus as we believe that this significant project can unlock the majority of the value from our substantial coal resource. However, in August 2016 the Tanzanian Government implemented a ban on coal imports into Tanzania. The Board see this as an opportunity for the Company to pursue a twin track approach for the Rukwa coal - creating shorter-term value by starting mining operations to satisfy local markets, while pursuing the longer-term Power Project. Coal mining will enable us to generate cash flow and establish Edenville as one of the very few coal producers in the region.

I am pleased to report that we are making encouraging progress on both the longer-term Power Project and the shorter-term mining activities. In January 2017 we announced that we had signed an MOU with Sinohydro Corporation of China, one of the largest power and infrastructure development companies in the world, to bring the Power Project into full Bankable Feasibility Stage. Following that we raised £2m (before expenses) in March 2017 to start mining operations at Rukwa. We are now well advanced in acquiring and installing mining equipment and wash plant facilities and are on schedule to start producing commercial coal later in 2017.

The year has also seen the departure of our Chief Operations Officer, Mark Pryor. On behalf of the Board, I would like to reiterate our sincere gratitude to Mark who has been with the Company since 2009 when the Rukwa deposit was largely unexplored. He was instrumental in the development of the resource from a largely unexplored group of deposits to the 173 million tonnes of JORC compliant resources that currently exists. He has also provided critical guidance and training to our team of geologists in Tanzania.

Earlier this year we also welcomed an experienced mining engineer and an electrical engineer familiar with the running of a coal wash plant to the Company. We are confident that they will help the smooth running of the mining operations in Rukwa.
The remainder of 2017 promises to be an exciting period for the Company as we move from a coal explorer to a coal producer.

In closing I would like to thank all shareholders for their continued support, our partners in Tanzania and our staff and consultants both in the UK and Tanzania. We are hopeful that 2017 will be a transformative and positive year for the Company.

Yours sincerely

Dr Jeffrey Malaihollo
Chairman
24 May 2017

Chief Executive's Report

I am pleased to present the 2016 review of our operations along with our Annual Report and Accounts for the financial year ended 31 December 2016.

After taking over as Chairman from Sally Schofield who resigned in April 2016, I continued in this role until September 2016, when the Company, after considering several candidates for the role, appointed Jeffrey Malaihollo the new Chairman of the Company and I continued as CEO.

I am again very grateful for the support of our shareholders throughout the year. During 2016 there have been both challenges along with opportunities; the Company ended 2016 with several key areas that were greatly advanced, notably the preparations for starting production to sell coal into local markets along with significantly more detail being added on the technical aspects of the Company's Power Project.

There have also been challenges to navigate and overcome. These have included the government and regulatory regime in Tanzania, which has undergone considerable change, both in Tanzania Electric Supply Company Ltd ("Tanesco") and within the Ministry of Energy and Minerals ("MEM"). I believe we have positioned ourselves as sensibly as possible to deal with the changes and to take advantage of opportunities to move forward as and when they occur. An approximate 17% devaluation of sterling against the US dollar and Tanzanian Shilling meant our Africa costs increased over the year. Most notably as I write this we have already started mining operations and are in the process of establishing a coal washing plant at site. Q3 2017 should see the operation ramp up to full production to position the Company as a supplier of coal to Tanzania and the region. In parallel the Company will work alongside Tanesco, MEM and other groups to advance the Power Project.

2016 Review

2016 opened with the granting of the Mining Licence 562/2016 over the Mkomolo area in late February. This licence is critical to the successful development and operation of the planned thermal power plant project and we viewed this as an essential and natural next step in the development process.

During 2016 the newly elected Government of Tanzania ("GOT") had been establishing its policy towards power and energy development. As part of this, Tanesco underwent significant organisational changes and restructuring. During the early part of the year we were confident of moving ahead with negotiations and agreements on the power development section of the project. Our Power Project passed all Tanesco's requirements as a project concept proposal and was passed to the MEM for further advancement. However, both the MEM and Tanesco were in a state of change throughout the year and by October it had become clear that Edenville would need to wait for this reorganisation to become complete before proceeding further with the Power Project.

In late August the GOT announced a ban on imported coal into Tanzania, thereby providing a greater opportunity to sell to customers other than the planned power plant. Whilst we have always viewed third party coal sales as worth pursuing, the development in government policy strengthened this option and we are currently in the construction phase of placing a coal wash plant and crusher at the project site. Sales have already taken place and we expect to move towards full production shortly in order to produce a washed coal that can be sold in Tanzania and the wider region.

In July we embarked on a bulk sampling programme to determine more fully the raw coal characteristics and the coal's reaction to washing. This was predominantly for the power plant development, but it became clear that good coal existed near to surface and that the potential for short term coal sales, particularly in light of the ban on coal imports, existed. The bulk sampling results indicated only moderate washing would be needed for a power plant with high recoveries up to, in some cases, 80%. The information we gained from this exercise is invaluable in determining the best type and size of power plant design and assessing the full potential of the Rukwa coal resource. The area we sampled is planned to be the first phase of extraction for the mining development now in progress.

In late 2015 we entered into a collaboration agreement with Runh Power of China. This technical collaboration, however, did not include funding or major contributions by way of technical work on the Power Project. There continued to be significant interest in the project from other EPC (Engineering, Procurement and Construction) groups particularly those based in Asia. After several site visits, one group, Sinohydro Corporation of China ("Sinohydro") carried out their own pre-feasibility study and economic analysis of the Power Project. This work occurred in the second half of 2016 with the results being very encouraging and broadly in line with the findings of the 2015 Lahmeyer Study. Subsequently, Sinohydro and Edenville signed a formal Memorandum of Understanding in January 2017 to partner in the Power Project. Sinohydro's main immediate contribution and commitment is to complete a Bankable Feasibility Study ("BFS") for the Power Project.

In parallel with the work carried out by Sinohydro, the Company has been continuously moving forward with both technical and regulatory work to advance the Power Project to the development stage. Significant areas are outlined below.

We commissioned a fully independent economic model to be built, this being completed in September 2016. This approached the project economics in greater granular detail than either Lahmeyer or Sinohydro and gave a broadly similar set of results and conclusion. We were very encouraged that the previous NPV10 of US$222m for a 120 MW power project increased to US$252m and an IRR of 23% in the new model. After further consultations with Tanesco and obtaining several tenders for mining works we consider this number as realistic in the current economic environment.

Importantly, we needed to verify and sense check as many of the calculations and assumptions we had made, to get as close to a viable plan which would take our coal "Resource" closer to "Reserve" status and therefore be considered bankable. As part of this our mining consultants, Sound Mining Systems, undertook extensive work on the global Rukwa coal resource, 99% of which already lies in Measured and Indicated status. The conclusions reached were that under the right circumstances a total minable resource of up to 90 million tonnes assuming a 4:1 strip ratio may be achievable to power a facility larger than the 120 MW base case and possibly up to 240-300 MW in size. Of course, the final size depends on a mix of factors, not least demand and the price paid for the fuel (coal) and the tariff that can be applied to the electricity produced. Nevertheless, we are confident that we have, in the right circumstances, a significantly larger project potential than our base case 120 MW.

During the second half of 2016 we also advanced the Environmental and Social Impact Assessment ("ESIA") for the power plant. Stage two of this work has now been completed and we are currently working with Sinohydro to determine the most appropriate way to integrate the remaining analysis and reporting into the BFS.

In parallel with the above work, we have pursued several proposals and tenders for mining, both to indicate costs for a coal to power development and to determine the best way forward for the mining works that will start shortly. In conclusion, we believe our predicted mining costs are reasonable and sustainable in the current economic climate of Tanzania.

Post Period Events and Outlook

We started 2017 with the decision to move ahead with the development of the coal mine for commercial sales to third parties. This was after consideration of the following:

- A full understanding of the coal characteristics from the prior bulk sampling programme;
- The sourcing of a suitable wash plant at a competitive price;
- Obtaining a comprehensive set of mining estimates that we considered were economically viable; and
- Gaining significant interest from several parties who wish to purchase our coal on a long-term basis.

To start commercial mining with as little capital cost as possible, a budget of approximately £2m was needed to put the Company fully into commercial production. Subsequently we approached the market and our existing shareholders to raise this amount in February and March of 2017. The response was overwhelmingly positive and as a result we have been able to continue the plan and move forwards towards full production in the coming months.

Recently we have completed the purchase of a wash plant using the Parnaby dense media system and this now on its way to Tanzania for construction in June/July 2017. Once at site our estimates are that it will take between six and eight weeks to assemble and become operational.

In parallel we are in the process of establishing the mining fleet at site. After considerable time spent with contractors and suppliers, assessing the advantages and disadvantages of contracting versus owner operator, we have opted to retain control of direct mining with support services being supplied by a local contractor. We believe this is the most cost effective and flexible solution going forward as the start of mining is relatively modest and can be managed internally.

To manage all this and provide technical input we have also employed two engineering professionals, one in mining and one in processing, to oversee the development of the project. After the smooth and timely start to development I am confident we are building the right team to get the job done.

The Company has already made limited coal deliveries of both uncrushed and crushed coal with the intention of securing much larger and long term orders once the wash plant is operating. Several prospective long term customers are awaiting our build up of supply and we are focused on delivering this as soon as possible. In Q3 2017 we plan to have an operating wash plant and mining production to feed this, built with no debt and opening up an exciting future ahead to build the business into a regional supplier of coal products.

Alongside the start up of the mine we have continued to advance the Power Project.

Significantly in January 2017 the MEM released the Power System Master Plan 2016 Update. The 400KV North West Grid is in the plan for construction by 2020. This line would be able to take power directly from our Rukwa Power Project. Our discussions with Tanesco are working around this plan to determine the best way to implement the project as rapidly as possible.

Following the extensive work carried out last year, our immediate focus is to reach clarity with Tanesco and the MEM on the timing and structure of a power purchase agreement. This will feed into the advancement of the Bankable Feasibility Study with Sinohydro. Further announcements regarding the BFS and the Company's partnership with Tanseco will be made as appropriate.

Financing

In the first half of 2016, the Company's shares were frequently trading on AIM at a price close to their nominal value of £0.0002 per share. The issue of new shares by a company incorporated in England and Wales at a price below their nominal value is prohibited by the Companies Act 2006. In addition, the share price volumes at which the Ordinary Shares were trading meant that a small value transaction could significantly affect the Company's market capitalisation. One or two relatively small trades in a day could result in increased share price volatility that did not reflect the Company's underlying performance. The

Directors also considered that more than 12 billion in issue was an excessive number for a company of the size of Edenville.

In order to deal with these issues, and to continue the mine and power plant development process requiring the issue of further equity, a capital reorganisation was considered necessary. Resolutions to give effect to the capital reorganisation were approved by shareholders at a General Meeting in August 2016. The effect of these resolutions was to sub-divide and consolidate the issued share capital of the Company whereby the number of issued ordinary shares in the capital of the Company was reduced by a multiple of approximately 20. The capital reorganisation did not lead to the holders of Existing Ordinary Shares having their current respective holdings diluted**.**

During the course of 2016 Edenville raised an aggregate of approximately £1.388m (before expenses) through the issue of new ordinary shares from placings, warrant exercises and settlement of invoices. These funds allowed the Company to substantially advance the technical requirements for the Power Project and effectively get sign off on the proposal for a power plant from Tanesco. The preparations for mining were also able to be funded along with some capital items such as the wash plant. The Company has been very conscious of the general market conditions regarding resource focused stocks over 2016 and has consistently targeted its capital at areas which would add value to the Company, advance it through the pre-development process and ultimately lead to cash generation from coal production.

Post the period end, in February 2017, £2m of gross proceeds were raised through the placing of new ordinary shares. These funds are predominantly being used to complete the process of placing the Company into commercial production. Several capital items including a coal washing plant have been acquired and it is the Company's intention to start mining with no debt being taken on. We will then be in a strong position to build up the business as a supplier of coal to the region over the long term.

The devaluation of Sterling over the second half of 2016 did place some extra pressure on being able to meet all targets. A significant proportion of the Company's costs are in US$ or Tanzanian Shillings. However, our funding is raised in Sterling which has undergone an approximate 17% devaluation from the start of 2016. Subsequently during the development phase of the mining project wherever possible we have sought to source goods and services denominated in sterling rather than other currencies.

Impairment of Historic Licences

As the Company progresses with detailed development discussions, we have continued to review our landholdings in Tanzania and take the opportunity to rationalise where appropriate. Every hectare of ground held by the company incurs a cost, both from annual license fees and associated work commitments, which can be significant. The Power Project and associated coal resource has clearly emerged as single most important asset of the Company and we continue our drive to direct maximum resources, both human and financial, to our flagship project.

In order to continue our ongoing cost management process, three early-stage exploration licences (PL5790, PL5659 and PL6174) were relinquished in April 2016. The licences were originally acquired for shares at the time of the Company's admission to AIM in 2010 and, after initial exploratory work, were found to contain little indication of economic mineralisation.

In February 2017 we relinquished exploration licence PL6147 as it became clear that focusing on the Rukwa coal was the Company's main opportunity. This was done after it became clear there was low prospectivity in this area due to our own investigations and others in neighbouring licences.

Subsequently to the above, the Company holds no further uranium licences and all value for uranium is considered written off.

Relinquishment of the above licenses has reduced the Company's work and licence fee commitments over the next 12 months by approximately US$68,000 and allowed managerial, technical and financial resources to be focused on the development of the Power Project and commercial mining.

As a result of the decision to relinquish these licence interests, an impairment charge, in accordance with the Company's accounting policies and IFRS, has been made of £2,271,560. The Company's Net Book Value of its Exploration and Evaluation assets, including goodwill at 31 December 2016 is £4,705,760.

Corporate Social Responsibility

As part of the general site and area improvements several km of roads were maintained and upgraded during the year. Further work on upgrading of roads is due to start shortly. School supplies in the form of 100 desks were constructed and these were distributed to schools in the area. These supplies will be supplemented by other materials requested by the schools along with assistance on maintenance of school buildings.

Throughout the year the Company has endeavoured, wherever possible, to employ local personnel to carry out work needed at the project site. The bulk sampling in 2016 and more lately the mining and crushing of coal has given various temporary employment opportunities and with the development now taking place our first choice is always to use local people or locally based contractors wherever possible.

Summary

Following 2016, which in many ways had a series of events outside our direct control, the Company is now moving from exploration to production on the back of the mining development now occurring at site. We are confident that this is the right approach and have tried wherever possible to move this forward at as lower cost to the Company as can be attained. We have taken on no debt and estimate the capital expenditure to reach production will be approximately £2m. I believe to get a mine in any country operating for this amount is an achievement and the extra challenges that remote sites present means it is even more notable. Edenville's plan is to generate cash flow as soon as possible and work towards the Company being a self sustaining entity as soon as practically possible. Where we do need to raise funds we will continue to do so from viable sources in a responsible manner.

Of course, we have not lost sight of the bigger picture for the Power Project and its potential to contribute significant power to Tanzania. Over 2016 we have demonstrated in many areas that the Company is serious in pursuing this strategy to its logical conclusion. The granting of the mining licence, the bulk sample work, a new financial model, definition of mineable resources and the partnership with Sinohydro all go to place the Power Project at a stage where Tanesco and MEM can count on this project being available for the power development programme. Notably in January 2017 the Power Master Plan Update 2016 was published by MEM and our project is included in this. We will continue to move forward alongside Sinohydro and the Tanzanian authorities through 2017.

Rufus Short
Chief Executive Officer
24 May 2017

Independent Auditors Report

We have audited the group financial statements of Edenville Energy Plc for the year ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, the Directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 'Going Concern' to the financial statements concerning the ability of the Group to continue as a going concern.

Based on current forecasts, the Group has sufficient funds in order to maintain its proposed work programme and levels of expenditure. However, if there are any delays in the future production of coal which impacts on revenue generation then the Group may require additional funds within twelve months of the date of approval of these financial statements. The ability of the Group to raise additional funds is dependent upon investor appetite.

These conditions, along with the other matters explained in note 2 'Going concern' to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Group financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.
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Matters on which we are required to report by exception

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

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

Other matters
We have reported separately on the parent company financial statements of Edenville Energy Plc for the year ended 31 December 2016.

Simon Mott -Cowan (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company
Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

24 May 2017

Group Statement of Comprehensive Income
Year Ended 31 December 2016

	2016	**2015**
	£	**£**
Administration expenses	(892,854)	(870,399)
Share based payments	-	-
Impairment of intangible asset	(2,271,560)	(3,593,544)
Group operating loss	(3,164,414)	(4,463,943)
Finance income	18	20
Loss on operations before taxation	(3,164,396)	(4,463,923)
Income tax	173,450	639,331
Loss for the year	(2,990,946)	(3,824,592)

Other comprehensive income

Gain on translation of overseas subsidiary	1,088,078	373,792
Total comprehensive loss for the year	(1,902,868)	(3,450,800)
Attributable to:		
Equity holders of the Company	(1,900,371)	(3,442,836)
Non-controlling interest	(2,497)	(7,964)
Loss per Share (pence)		
Basic and diluted loss per share	(0.50p)	(1.00p)

All operating income and operating gains and losses relate to continuing activities.

No separate statement of comprehensive income is provided as all income and expenditure is disclosed above.

Group Statement of Financial Position
As at 31 December 2016

	2016 **£**	**2015** **£**
Non-current assets		
Property, plant and equipment	19,222	22,292
Intangible assets	4,705,760	5,361,277
	4,724,982	5,383,569
Current assets		
Trade and other receivables	170,341	141,924
Cash and cash equivalents	246,120	316,652
	416,461	458,576
Current liabilities		
Trade and other payables	(133,486)	(105,092)
Current assets less current liabilities	282,975	353,484
Total assets less current liabilities	5,007,957	5,737,053
Non-current liabilities		
Provision for deferred tax	-	(144,490)
	5,007,957	5,592,563
Equity		
Called-up share capital	2,563,325	1,872,978
Share premium account	14,250,401	13,623,545
Share option reserve	108,802	129,610
Foreign currency translation reserve	1,108,176	20,098
Retained earnings	(13,026,926)	(10,059,286)
Attributable to the equity shareholders of the company	5,003,778	5,586,945
Non- controlling interests	4,179	5,618

Total equity	5,007,957	5,592,563

The financial statements were approved by the board of directors and authorised for issue on 24 May 2017 and signed on its behalf by:

Rufus Short
Director

COMPANY REGISTRATION NUMBER: 05292528

Group Statement Of Changes in Equity
Year Ended 31 December 2016

	Equity Interests							
	Share Capital	**Share Premium**	**Retained Earnings Account**	**Share Option Reserve**	**Foreign Currency Reserve**	**Total**	**Non-controlling interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
At 1 January 2015	1,488,728	13,215,320	(6,296,761)	183,713	(353,694)	8,237,306	12,962	8,250,268
Issue of share capital	350,000	400,000	-	-	-	750,000	-	750,000
Cost of issue	-	(50,000)	-	-	-	(50,000)	-	(50,000)
Exercise of warrants	34,250	58,225	-	-	-	92,475	-	92,475
Cancellation of share options	-	-	54,103	(54,103)	-	-	-	-
Foreign currency translation	-	-	-	-	373,792	373,792	620	374,412
Loss for the year	-	-	(3,816,628)	-	-	(3,816,628)	(7,964)	(3,824,592)
At 31 December 2015	1,872,978	13,623,545	(10,059,286)	129,610	20,098	5,586,945	5,618	5,592,563
Issue of share capital	690,347	697,806	-	-	-	1,388,153	-	1,388,153
Cost of issue	-	(70,950)	-	-	-	(70,950)	-	(70,950)
Exercise of warrants	-	-	-	-	-	-	-	-

Cancellation of share options	-	-	20,808	(20,808)	-	-	-	-
Foreign currency translation	-	-	-	-	1,088,078	1,088,078	1,059	1,089,137
Loss for the year	-	-	(2,988,448)	-	-	(2,988,448)	(2,498)	(2,990,946)
At 31 December 2016	2,563,325	14,250,401	(13,026,926)	108,802	1,108,176	5,003,778	4,179	5,007,957

Group Cash Flow Statements
Year Ended 31 December 2016

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Cash flows from operating activities		
Operating loss	(3,164,414)	(4,463,943)
Impairment of tangible & intangible non-current assets	2,271,560	3,593,544
Depreciation	5,819	7,430
(Increase)/decrease in trade and other receivables	(7,219)	45,535
Increase in trade and other payables	46,776	13,692
Foreign exchange differences	-	(657)
Net cash outflow from operating activities	(847,478)	(804,399)
Cash flows from investing activities		
Purchase of exploration and evaluation assets	(541,455)	(313,958)
Finance income	18	20
Net cash used in investing activities	(541,437)	(313,938)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,388,153	842,475
Share issue costs	(70,950)	(50,000)
Net cash inflow from financing activities	1,317,203	792,475
Net (decrease) in cash and cash equivalents	(71,712)	(325,862)
Cash and cash equivalents at beginning of year	316,652	641,830
Effect of foreign exchange rate changes on cash and cash	1,180	684

equivalents		
Cash and cash equivalents at end of year	246,120	316,652

Notes to the Group Financial Statements
Year Ended 31 December 2016

Certain notes to the financial statements are presented below.

1. General Information

Edenville Energy Plc is a public limited company incorporated in the United Kingdom. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF. The company's shares are listed on AIM, a market operated by the London Stock Exchange.

The principal activity of the Group is the exploration and mining of energy commodities predominantly coal in Africa.

2. Group Accounting Policies

Basis of preparation and statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Group's financial statements have also been prepared under the historical cost convention, as modified by the revaluation of available for sale investments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements are disclosed in Note 4.

The Company's financial statements continue to be prepared under IFRS. Therefore, the Company's financial statements and the associated notes, together with the auditors' report on these financial statements, are presented separately from the Group, starting on page 55.

Going concern

At 31 December 2016 the Group had cash balances totalling £246,120 and in February 2017 the Company placed 250,000,000 new ordinary shares of 0.02p each for a placing price of 0.80p, providing the Company with £2,000,000 of additional funds before expenses.

Based on the current working capital forecast, the Group has sufficient funds in order to maintain its proposed work programme and levels of expenditure allowing it to move into the production phase later in 2017. However, if there are delays in the production, impacting revenue generation then the Group may require additional funds within twelve months of the date of approval of these financial statements. The ability of the Group to raise additional funds is dependent upon investor appetite. A large element of the expenditure on the licences is discretionary and both head office costs and Tanzanian administration costs can be reduced if the additional funds cannot be raised and the Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Standards and interpretations in issue but not yet effective or not yet relevant

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

		Effective date (period beginning on or after)
IFRS 2	Share based payments - Amendments to clarify the classification and measurement of share-based payment transactions	1 January 2018
IFRS 9	Financial instruments - incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition.	1 January 2018
IFRS 12	Disclosure of interests in other entities - Amendments resulting from Annual Improvements 2014-2016 Cycle (clarifying scope)	1 January 2017
IFRS 15	Revenue from Contracts with Customers - Clarifications to IFRS 15	1 January 2018
IFRS 16	Leases - original issue	1 January 2019
IAS 7	Statement of cash flows - Amendments resulting from the disclosure initiative	1 January 2017
IAS 12	Income taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses	1 January 2017
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Group's financial statements.

Share based payments

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

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement of employees to save).

Assumptions about the number of options that are expected to vest include consideration of non-market vesting conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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

Basis of consolidation

The Group's financial statements consolidate the financial statements of Edenville Energy Plc and all its subsidiary undertakings (GOA Tanzania Limited, Edenville International (Seychelles) Limited, Edenville International (Tanzania) Limited and Edenville Power (TZ) Limited) made up to 31 December 2016. Profits and losses on intra-group transactions are eliminated on consolidation.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Business combinations

The Group adopts the acquisition method in accounting for the acquisition of subsidiaries. On acquisition the cost is measured at the fair value of the assets given, plus equity instruments issued and liabilities incurred or assumed at the date of exchange. The assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill.

Any deficiency of the fair value of the consideration below the fair value of identifiable net assets acquired is credited to the income statement in the period of the acquisition.

The results of subsidiary undertakings acquired or disposed of during the year are included in the group statement of comprehensive income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. Inter-company transactions and balances between group companies are eliminated.

Revenue recognition

Revenue from the sale of energy commodities is recognised upon delivery of goods to the customers. Interest income is recognised on a proportional basis taking into account the effective interest rates applicable to the financial assets.

All revenue is stated net of the amount of sales tax.

Currently the group does not generate any revenue.

Presentational and functional currency

This financial information is presented in pounds sterling, which is the Group's functional currency.

In preparing the financial statements of individual entities, transaction in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in pounds sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, or financial liability or an equity instrument in accordance with the substance of contractual arrangement.

Financial instruments are recognised on the balance sheet at fair value when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets comprise investments, cash and cash equivalents and receivables. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Recognition and measurement
Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when rights to receive cash flows from investments have expired or the group has transferred substantially all the risks and rewards of ownership. Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost.

Equity investments available for sale
Equity investments available for sale are non-derivatives that are either designated in this category or not classified in any of the other categories. Equity investments available for sale do not have a quoted market price in an active market. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are initially classified at fair value. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in statement of comprehensive income, is removed from equity and recognised in the statement of comprehensive income.

Where the fair value cannot be reliably measured as a result of a lack of an active market and/or reliable estimates could not be made the equity investments are measured at cost.

Trade and other receivables
Provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is the difference between the receivables carrying amount and the present value of the estimated future cash flows.

An assessment for impairment is undertaken at least annually.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities comprise only trade and other payables.

All financial liabilities are recorded at amortised cost, using the effective interest method, with interest-related charges being recognised as an expense under finance costs in the Income Statement.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, is cancelled, or expires.

Property, plant and equipment
Property, plant and equipment are stated at cost on acquisition less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all property, plant and equipment categories at rates calculated to write off the cost, less estimated residual value on a reducing balance basis over their expected useful economic life. The depreciation rates are as follows:

	Basis of depreciation
Fixtures and fittings	25% reducing balance
Office equipment	25% reducing balance
Motor Vehicles	25% reducing balance

Costs capitalised include the purchase price of an asset and any costs directly attributable to bringing it into working condition for its intended use.

Finance costs

Finance costs of debt, including premiums payable on settlement and direct issue costs are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

Income taxation

The taxation charge represents the sum of current tax and deferred tax.

The tax currently payable is based on the taxable profit for the period using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised. Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

Share capital

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

Exploration and evaluation assets

Capitalisation

Certain costs (other than payments to acquire the legal right to explore and costs which are directly attributable to those payments) incurred prior to acquiring the rights to explore are charged directly to the income statement. All costs incurred after the rights to explore an area have been obtained, such as geological and geophysical costs and other direct costs of exploration and appraisal are accumulated and capitalised as intangible exploration and evaluation ("E&E") assets. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the areas have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

E&E costs are not amortised prior to the conclusion of appraisal activities.

At completion of appraisal activities, if technical feasibility is demonstrated and commercial reserves are discovered, then, following development sanction, the carrying value of the relevant E&E asset will be reclassified as a development and production ("D&P") asset, but only after the carrying value of the relevant E&E asset has been assessed for impairment, and where appropriate, its carrying value adjusted. If after completion of appraisal activities in the area, it is not possible to determine technical feasibility and commercial viability or if the legal right to explore expires or if the Company decides not to continue exploration and evaluation activity, then the costs of such unsuccessful exploration and evaluation are written off to the income statement in the period the relevant events occur.

Impairment

Management consider on a regular basis the geological resources and exploration and evaluation results of each licence and based on their analysis may relinquish or abandon a particular licence area. When this occurs the costs related to the relinquished area are written off to the income statement.

Where the licences will be retained an impairment review is performed when facts and circumstances indicate that the carrying value of E&E assets may exceed its recoverable amount.

For E&E assets when there are such indications, an impairment test is carried out by grouping the E&E assets with the D&P assets belonging to the same geographic segment to form the Cash Generating Unit ("CGU") for impairment testing. The equivalent combined carrying value of the CGU is compared against the CGU's recoverable amount and any resulting

Impairment loss is written off to the income statement. The recoverable amount of the CGU is determined as the higher of its fair value less costs to sell and its value in use.

Goodwill

At the date of acquisition of a subsidiary undertaking, fair values are attributed to the acquired identifiable assets, liabilities and contingent liabilities. Goodwill represents the difference between the fair value of the purchase consideration and the acquired interest in the fair value of those net assets.

Goodwill is initially recognised at fair value. Any negative goodwill is credited to the income statement in the year of acquisition. If an undertaking is subsequently sold, the amount of goodwill carried on the balance sheet at the date of disposal is charged to the income statement in the period of disposal as part of the gain or loss on disposal.

Goodwill is associated with exploration and evaluation assets, the impairment of which is discussed in the accounting policy note for exploration and evaluation assets.

3. Intangible assets

	Evaluation and Exploration Assets Tanzanian Licences £	Goodwill £	Total £
Cost or valuation			
As at 1 January 2015	6,931,150	1,302,933	8,234,083
Additions	313,958	-	313,958
Foreign exchange adjustment	342,412	64,368	406,780
Written off	(3,593,544)	-	(3,593,544)
At 31 December 2015	3,993,976	1,367,301	5,361,277
Accumulated amortisation and impairment			
As at 1 January 2015	-	-	-
Charge for the year	-		
Written off	-		
At 31 December 2015	-	-	-
Net book value			
As at 31 December 2015	3,993,976	1,367,301	5,361,277

	Evaluation and Exploration Assets Tanzanian Licences £	Goodwill £	Total £
Cost or valuation			
As at 1 January 2016	3,993,976	1,367,301	5,361,277
Additions	541,455	-	541,455
Foreign exchange adjustment	800,538	274,050	1,074,588
Written off	(977,300)	(1,294,260)	(2,271,560)
At 31 December 2016	4,358,669	347,091	4,705,760
Accumulated amortisation and impairment			
As at 1 January 2016	-	-	-
Charge for the year	-	-	-
At 31 December 2016	-	-	-
Net book value			
As at 31 December 2016	4,358,669	347,091	4,705,760

Tanzanian Licences and Goodwill

The Tanzanian licences comprise a mining licence and various prospecting licences. The licences are, located in a region displaying viable prospects for both uranium and coal and occur in a country where the government's policy for development of the mineral sector aims at attracting and enabling the private sector to take the lead in exploration mining, development, mineral beneficiation and marketing.

Goodwill arose as a result of the valuation placed on the original six Tanzanian licences acquired on the acquisition of Edenville (Tanzania) Limited. The allocation of the Goodwill was based on the valuation of the Group's licences and was been allocated between coal and uranium licences.

In 2015 as the Group focused firmly on the development of the Rukwa Coal to Power Project the directors have looked at rationalisation of other licences which will allow available funds to be focussed on the development of the Group's core asset at Rukwa.

During the year the group wrote off the last of its uranium licences and associated goodwill; the licence was subsequently relinquished in February 2017.

The Directors have considered the status of the remaining projects at the year end and do not consider there are any facts or circumstances that would require an impairment review to be performed.

4. Equity-settled share-based payments

The following options over ordinary shares have been granted by the Company:

Date	**Exercise price**	**Exercise period**	**Number of options outstanding at 31 December 2016**
21 October 2013	5.00p	9 Years	6,011,481

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation were as follows:

The options granted on 21 October 2013 are exercisable from 21 October 2014. The options are valid for a period of 10 years from the date of grant. There are no vesting conditions.

Date of grant	21.10.13
Expected volatility	85%
Expected life	4 years
Risk-free interest rate	1.23%
Fair value per option	0.09p

The charge to the income statement for share based payments for the year ended 31 December 2016 was £Nil (2015: £Nil).

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	2016		**2015**	
	Number of options	**Weighted average exercise price per share pence**	**Number of options**	**Weighted average exercise price per share pence**

At 1 January	7,167,535	5.00	10,173,276	5.00
Granted	-	-	-	-
Exercised	-	-	-	-
Cancelled	(1,156,054)	(5.00)	(3,005,741)	(5.00)
At 31 December	6,011,481	5.00	7,167,535	5.00

The weighted average remaining contractual life of options as at 31 December 2016 was 6.81 years (2015: 7.81 years)

The number of share options and exercise price have been adjusted for the share consolidation that took place during the year. See Note 19.

Warrants

The following warrants over ordinary shares have been granted by the Company:

Date granted	Expiry Date	Exercise price	Number of warrants outstanding at 31 December 2016
02 March 2016	01 September 2017	0.80p	33,333,333
01 June 2016	13 June 2017	0.60p	48,055,555
03 October 2016	02 October 2017	0.54p	60,897,437
			142,286,325

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	2016		2015	
	Number of options	**Weighted average exercise price per share pence**	**Number of options**	**Weighted average exercise price per share pence**
At 1 January	50,062,500	5.95	2,375,000	8.00
Granted	143,888,889	0.68	56,250,000	6.60
Exercised	(1,602,564)	(0.54)	(8,562,500)	10.80
Cancelled	(50,062,500)	(5.95)	-	-
At 31 December	142,286,325	0.68	50,062,500	5.95

The weighted average remaining contractual life of warrants as at 31 December 2016 was 0.55 years (2015: 0.52 years).

On 30 August 2016, as explained in Note 19, the Company undertook a re-organisation of share capital resulting in a consolidation of shares. As a result the warrants issued on 2 March 2016 and 1 June 2016 were consolidated. The table below shows the number of warrants outstanding after the consolidation.

The charge to the income statement for share based payments for the year ended 31 December 2016 was £Nil (2015: £Nil).

5. Related party transactions

Rakesh Patel, who resigned on 3 June 2015, is a partner in Adler Shine LLP. During 2015 the Group paid £7,000 to Adler Shine LLP for accounting services provided in the year to Mr Patel's resignation date.

During the year the Group paid £15,000 (2015: £28,750) for engineering services to Sunjem Consulting Limited, which is controlled by the director Mark Pryor.

During the year the Director, Sally Schofield invoiced the Group £15,000 (2015: £Nil) for her role as Interim Chairman.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company, and are all directors of the Company. For details of their compensation please refer to the Remuneration report.

6. Events after the reporting date

Date		**No.**	**£**
23 January 2017	Ordinary shares issued at 0.83p in lieu of consultancy services	963,855	8,000
	Ordinary shares issued at 0.77p in lieu of consultancy services	1,948,051	15,000
	Ordinary shares issued on exercise of warrants at 0.80p	1,375,000	11,000
	Ordinary shares issued on exercise of warrants at 0.60p	5,555,555	33,333
	Ordinary shares issued on exercise of warrants at 0.54p	34,699,778	187,379
25 January 2017	Ordinary shares issued on exercise of warrants at 0.80p	3,304,167	26,433
01 February 2017	Ordinary shares issued on exercise of warrants at 0.80p	612,500	4,900
07 February 2017	Ordinary shares issued on exercise of warrants at 0.80p	6,625,002	53,000
	Ordinary shares issued on exercise of warrants at 0.60p	14,999,780	89,999
20 February 2017	Subscription of shares at 0.80p each	250,000,000	2,000,000
20 March 2017	Ordinary shares issued on exercise of warrants at 0.60p	10,000,000	60,000
29 March 2017	Ordinary shares issued on exercise of warrants at 0.60p	2,777,778	16,667
Total		**332,861,466**	**2,505,711**

On 28 March 2017 the company granted the following share options to the Directors and other senior management at an exercise price of 1.08p, exercisable for 5 years from 27 March 2017.

Option holder	**Number of options**
Rufus Short	16,000,000
Jeffry Malaihollo	10,000,000
Arun Srivastava	6,000,000
Other senior management	14,000,000
	46,000,000

The 38,000,000 options issued to the Directors and a member of senior management will vest one third immediately, one third upon production of in excess of 5,000 tonnes of commercial coal per month over three consecutive months and one third upon completion of the Bankable Feasibility Study for the Rukwa Power Plant.

8,000,000 of the options , being granted to two recently appointed engineers, will vest one half upon production of in excess of 5,000 tonnes of commercial coal per month over three consecutive months and one half upon production of in excess of 10,000 tonnes of commercial coal per month over three consecutive months.

The following warrants have been granted post year end:

Date granted	**Exercise period**	**Exercise price**	**Number of warrants**
21 February 2017	21 February 2017 to 20 August 2018	1.08p	11,390,866
17 March 2017	21 February 2017 to 20 August 2018	1.08p	113,609,134
			125,000,000