Noricum Gold Limited / EPIC: NMG / Sector: Natural Resources

27 September 2016

Noricum Gold Limited ('Noricum or 'the Company')
Interim Results

Noricum Gold Limited, is pleased to provide its interim results for the six-month period ended 30 June 2016.

Highlights

- **Significant drilling intercepts at the Kvemo Bolnisi East project, including 33m @ 1.04% Cu from surface and 23.2m @ 2.8% Cu from 89.8m**

- **Board strengthened by appointment of Dr Neil O'Brien and Mr Peter Damouni, both with significant experience in developing and financing mining projects**

- **Memorandum of Understanding ('MoU') signed with owner of the nearby gold and copper mining operation JSC RMG Gold and JSC RMG Copper ('RMG') to outline mining and processing arrangements for future production**

Chairman's Statement

Noricum has 50% ownership and operational control of the Bolnisi Copper and Gold Project in Georgia. Our exploration activities during the period indicate that the Bolnisi project has the potential to host several significant deposits which materially advances the potential scale of a mining operation.

The Bolnisi district could support a large mining operation for the following key reasons.

GEOLOGY: Bolnisi is an 861 sq. km project located on the prolific Tethyan Belt in the same geological environment as well-known high grade copper-gold deposits across the Turkish border.

EXTENSIVE DATABASE: Noricum has inherited an extensive data base with 70 years of Soviet-era exploration data now being digitised and interpreted to confirm and prioritise exploration targets towards early drill-testing.

INFRASTRUCTURE: The Bolnisi district of Georgia already has several producing mines, a well-developed infrastructure, including good road and rail links and access to cheap (hydroelectric) power.

GEORGIA: The Georgian mining code is being updated to comply with best international standards and the Georgian government is supportive of the development of new mines.

The vast historic exploration database enables us to quickly prioritise targets and minimises the need for lengthy grassroots exploration over our large licence area. Through analysis and interpretation of this data we have identified two prominent target areas with outcropping and near surface oxide gold mineralisation (Kvemo

Bolnisi and Tsitel Sopeli) and confirmed a new area of sulphide copper-gold mineralisation at Kvemo Bolnisi East ('KB East').

We are encouraged by our drill results at KB East with significant new copper and gold intersections as detailed in our announcement of 11 August 2016. These suggest four distinct potential resource types: (i) outcropping and near surface oxide gold mineralisation (with potential for small scale production); (ii) high-grade near-surface copper mineralisation (with potential for low-cost leaching); (iii) structurally controlled chalcocite and high grade copper mineralisation to depths of over 100m; and (iv) extensive broad sections of copper sulphide mineralisation open to depth (bulk tonnage targets). The geology is similar to our joint venture partner's nearby Madnueli Deposit, which has historic production of 85Mt of copper ore at an average 1.0% Cu and 1g/t Au, and has a current mine life of approximately 15 years. In this context, we recently announced an initial exploration target of between 50Mt and 70Mt @ grades between 0.30% Cu and 1.00% Cu and 0.1 to 1 g/t Au for copper sulphide mineralisation and 0.5 to 5 g/t Au for oxide gold resources.

We have made significant progress in negotiations to work with our JV partner to deliver near term production. We have negotiated an MoU with RMG (our partner's production company), to outline mining and processing arrangements for the future production of precious and base metal ores mined from our licence area. We anticipate future contract mining and processing costs of around US$600 oz Au assuming an average grade of 1 g/t Au. Access to RMG's processing facilities would significantly reduce both capital expenditure and the timeframe to production.

On 1 July 2016 we announced a non-binding and mutually advantageous agreement with our partner, Caucasian Mining Group ('CMG'), to jointly evaluate and develop the David Garedji Copper-Gold Prospect on CMG's nearby mining and exploration licence with resources calculated on Soviet standards of: 460,000 oz gold @ 4.6 g/t; 740,000 oz silver @7.3 g/t; 50,000 t copper @ 1.6% plus associated lead and zinc.

Corporate and Financial Review

During the reporting period, we strengthened our in-country team with the appointment of Jim Royall as Chief Geologist. Jim is an exploration geologist with over 23 years in the mining industry and has a strong background in mineral exploration.

On 6 September 2016, we strengthened our Board through the appointment of Dr Neil O'Brien and Mr Peter Damouni as Non-Executive Directors. They bring significant experience in developing and financing mining projects. Dr O'Brien is a recognised authority on the Bolnisi style of mineralisation having completed his PhD on similar types of VMS deposits.

As an exploration and development company which has no revenue we are reporting a loss for the six months ended 30 June 2016 of £497,980 (2015: £271,422), which is in line with our budget.

We are excited by the opportunity for Noricum to play a part in developing the mining potential of Georgia. I look forward to keeping shareholders regularly updated with our progress

Michael Hutchinson

Chairman

26th September 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months to 30 June 2016 Unaudited £	6 months to 30 June 2015 Unaudited £
Continuing operations			
Revenue		**2,151**	-
Administration expenses		**(500,243)**	(271,600)
Operating Loss		**(498,092)**	(271,600)
Finance income		**112**	178
Loss Before Income Tax		**(497,980)**	(271,422)
Income tax expense		**-**	-
Loss for the period		**(497,980)**	(271,422)
Loss attributable to:			
- owners of the Parent		**(446,312)**	(271,422)
- non-controlling interests		**(51,668)**	-
Loss for the period		**(497,980)**	(271,422)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**1,153,142**	(348,615)
Total comprehensive income		**655,162**	(620,037)
Attributable to:			
- owners of the Parent		**347,685**	(620,037)
- non-controlling interests		**307,477**	-
Total comprehensive income		**655,162**	(620,037)
Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & diluted	6	**(0.012)**	(0.023)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2016 Unaudited £	31 December 2015 Audited £
Non-Current Assets			
Property, plant and equipment		**85,099**	7,154
Intangible assets	5	**12,024,854**	10,399,265
		12,109,953	10,406,419
Current Assets			
Trade and other receivables		**1,175,923**	54,497
Cash and cash equivalents		**194,759**	281,671
		1,370,682	336,168
Total Assets		**13,480,635**	10,742,587
Current Liabilities			
Trade and other payables		**209,109**	167,940
Total Liabilities		**209,109**	167,940
Net Assets		**13,271,526**	10,574,647
Equity Attributable to owners of the Parent			
Share premium account		**31,132,065**	29,090,348
Reverse acquisition reserve		**(18,845,147)**	(18,845,147)
Other Reserves		**351,627**	(442,370)
Retained losses		**(3,720,787)**	(3,274,475)
Total equity attributable to owners of the Parent		**8,917,758**	6,528,356
Non-controlling interest		**4,353,768**	4,046,291
Total Equity		**13,271,526**	10,574,647

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share premium £	Reverse acquisition reserve £	Other Reserves £	Retained losses £	Total equity £
As at 1 January 2015	**25,664,551**	**(18,845,147)**	**(335,251)**	**(2,627,686)**	**3,856,467**
Comprehensive income					
Loss for the period	-	-	-	(271,422)	(271,422)
Other comprehensive income					
Currency translation differences	-	-	(348,615)	-	(348,615)
Total comprehensive income	-	-	(348,615)	(271,422)	(620,037)
Subscription of ordinary shares	850,000	-	-	-	850,000
Total transactions with owners	850,000	-	-	-	850,000
As at 30 June 2015	**26,514,551**	**(18,845,147)**	**(683,866)**	**(2,899,108)**	**4,086,430**

	Share premium £	Reverse acquisition reserve £	Other Reserves £	Retained losses £	Total £	Non-controlling interest £	Total equity £
As at 1 January 2016	**29,090,348**	**(18,845,147)**	**(442,370)**	**(3,274,475)**	**6,528,356**	**4,046,291**	**10,574,647**
Comprehensive income							
Loss for the period	-	-	-	(446,312)	(446,312)	(51,668)	(497,980)
Other comprehensive income							
Currency translation differences	-	-	793,997	-	793,997	359,145	1,153,142
Total comprehensive income	-	-	793,997	(446,312)	347,685	307,477	655,162
Issue of ordinary shares	2,100,000	-	-	-	2,100,000	-	2,100,000
Issue costs	(108,683)	-	-	-	(108,683)	-	(108,683)
Share based payments	50,400	-	-	-	50,400	-	50,400
Total transactions with owners	2,041,717	-	-	-	2,041,717	-	2,041,717
As at 30 June 2016	**31,132,065**	**(18,845,147)**	**351,627**	**(3,720,787)**	**8,917,758**	**4,353,768**	**13,271,526**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 June 2016 Unaudited £	30 June 2015 Unaudited £
Cash flows from operating activities		
Loss before taxation	**(497,981)**	(271,422)
Adjustments for:		
Depreciation	**6,637**	1,417
Finance income	**(112)**	(178)
Share based payments	**50,400**	-
Foreign exchange	**62,819**	7,329
Decrease / (increase) in trade and other receivables	**(1,427)**	11,937
Decrease in trade and other payables	**(10,012)**	(47,949)
Net cash used in operations	**(389,676)**	(298,866)
Cash flows from investing activities		
Interest received	**112**	178
Purchase of property, plant & equipment	**(83,661)**	-
Additions to exploration and evaluation intangibles	**(537,512)**	(203,433)
Net cash used in investing activities	**(621,061)**	(203,255)
Cash flows from financing activities		
Proceeds from issue of shares	**980,000**	500,000
Cost of issue	**(57,501)**	-
Net cash from financing activities	**922,499**	500,000
Net (decrease) / increase in cash and cash equivalents	**(88,238)**	(2,121)
Cash and cash equivalents at beginning of period	**281,671**	863,801
Exchange differences on cash	**1,326**	(3,940)
Cash and cash equivalents at end of period	**194,759**	857,740

Major non-cash transactions

On 21 January 2016 the Company issued 63,000,000 new ordinary shares of no par value at a price of 0.08 pence per share as payment to consultants in lieu of cash fees.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General Information

The principal activity of Noricum Gold Limited ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and base metals. The Company's shares are listed on the AIM Market of the London Stock Exchange. The Company is incorporated in the British Virgin Islands and domiciled in the United Kingdom. The Company was incorporated on 10 February 2010 under the name Gold Mining Company Limited. On 22 November 2010 the Company changed its name to Noricum Gold Limited.

The address of the Company's registered office is Trident Chambers, PO Box 146, Road Town, Tortola BVI.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2015 were approved by the Board of Directors on 19 April 2016. The report of the auditors on those financial statements was unqualified.

The 2016 interim financial report of the Company is not required to be audited but has been reviewed by the Company's auditor, PKF Littlejohn LLP, although no independent review report is included in this Interim financial report as the review was not undertaken in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2016.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2015 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.noricumgold.com. The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2015 Annual Report and Financial Statements. Actual amounts may differ from these estimates. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Accounting Policies

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2015 except for the impact of the adoption of the Standards and interpretations described below.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2016.

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning on or after 1 January 2016 and have been applied in preparing these Financial Statements.

Amendments to IAS 1 Disclosure Initiative

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to IAS 27 Equity Method in Separate Financial Statements

Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Amendments to IFRS 11 Accounting for Acquisitions of Interest in Joint Operations

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured).

Annual Improvements 2012-2014 Cycle

Makes amendments to the following standards:
- IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- IAS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

There are no other new standards and amendments to standards and interpretations effective for the financial year beginning on or after 1 January 2015 that are material to the Group and Company and therefore not applied in preparing these financial statements.

(*b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted.*

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

Standard	**Impact on initial application**	**Effective date**
IAS 7 (Amendments)	Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred Tax	*1 January 2017
IFRS 2 (Amendments)	Classification and Measurement of Share-based payments	*1 January 2018
IFRS 9	Financial Instruments	*1 January 2018
IFRS 10 (Amendments)	Contribution of Assets between an Investor and its Associate or Joint Venture	^*1 January 2016
IFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	*1 January 2019

* Subject to EU endorsement

^ Effective date deferred indefinitely

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2016 (2015: nil).

5. Intangible fixed assets

The movement in capitalised exploration and evaluation costs during the period was as follows:

Exploration & Evaluation at Cost and Net Book Value	£
Balance as at 1 January 2016	10,399,265
Additions	537,512
Exchange rate variances	1,088,077
As at 30 June 2016	12,024,854

6. Loss per share

The calculation of the total basic loss per share of 0.012 pence (2015: 0.023 pence) is based on the loss attributable to equity owners of the parent company of £446,312 (2015: £271,422) and on the weighted average number of ordinary shares of 3,864,725,538 (2015: 1,203,638,487) in issue during the period.

No diluted earnings per share is presented as the effect on the exercise of share options would be to decrease the loss per share.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group's Annual Report and Financial Statements for the year ended 31 December 2015.

7. Fair value estimation

There are no financial instruments carried at fair value.

8. Fair value of financial assets and liabilities measured at amortised costs

Financial assets and liabilities comprise the following:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

The fair values of these items equate to their carrying values as at the reporting date.

9. Commitments

All commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2015.

10. Events after the balance sheet date

On 20 July 2016 the Company granted 500,000,000 options exercisable for five years from the date of grant at 0.14p each.

11. Approval of interim financial statements

The condensed interim financial statements were approved by the Board of Directors on 26th September 2016.

****ENDS****

For further information please visit www.noricumgold.com or contact:

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Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by James Royall, who is a Member of the Australian Institute of Geoscientists.

James Royall has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. James Royall has reviewed this announcement and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.