Georgian Mining Corporation / EPIC: GEO / Market: AIM / Sector: Natural Resources

27 September 2017

Georgian Mining Corporation ('GEO' or the 'Company')

Interim Results

Georgian Mining Corporation is pleased to provide its interim results for the six-month period ended 30 June 2017.

Highlights

- Results of ongoing work programme continue to support the Board's view that the Kvemo Bolnisi ('KB') copper and gold project on the Tethyan Belt in Georgia has the potential to host large scale epithermal gold-copper mineralisation
- Three-phase strategy underway to deliver on >50Mt copper-gold resource target
- Phase 1 target achieved and exceeded with initial JORC resource of of 3.154 Mt @ 0.82% Cu and 2.29 Mt @ 0.85 g/t Au identified, positioning GEO to achieve proof-of-concept production in the near term
- Phase 2 targeting a JORC Resource of 3Mt-5Mt of combined copper-gold sulphide and gold oxide mineralisation at KB has been successfully achieved
- £5.5m raised in May 2017 via an oversubscribed, nil-discount placing which fully funds longer term exploration and development as well as wider exploration of tenure in Georgia
- Satisfied obligation to contribute an initial commitment of US$6 million thereby earning 50% in JSC Georgian Copper & Gold

Managing Director's Statement

At the time of our last half yearly report in September 2016, GEO set itself an exploration target of 50Mt-70Mt @ grades of 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 gold oxide resources at our KB East copper and gold project in Georgia ('KBE' or the 'Project'). This target was based on the results of the initial drilling undertaken; the Project's similar geology to our partner's nearby Madneuli Deposit, which has produced circa 80Mt of copper ore with a reported average grade of 1.0% Cu and 1g/t Au; and finally, KBE's highly prospective address on the Tethyan Belt, which is home to many world class mineral deposits. I am pleased to report that work carried out during the latest half year has served to strengthen our belief that the 860 sq km licence area has the potential to host large scale epithermal gold-copper mineralisation and that KBE could become the next large-scale mining operation in this prolific region.

Underpinning our confidence are the results of resource drilling which have identified an expanse of mineralisation styles that are consistent with a gold/copper-endowed epithermal systems: beginning at surface with i) outcropping heap leachable gold oxide mineralisation overlying ii) an enriched (supergene) high-grade chalcocite copper blanket; extending into iii) copper-gold sulphide mineralisation hosted in breccia pipes that are surrounded by iv) lower grade bulk tonnage potential copper-gold sulphides and v) high-grade sheeted pyrite-gold epithermal vein-type mineralisation. The work at KBE has shown that breccia-type sulphide mineralisation now extends down to a drill-indicated 200 metres and remains open at depth. All the above points to a large epithermal system and the focus during the period has been (and continues to be) to prove up this geological model towards developing significant additional resource tonnages. To achieve this, and at the same time meet our exploration targets, we have put in place a three-phase strategy, the implementation of which is already well advanced:

Phase 1 involved delineating a minimum of 1 to 2Mt of copper-gold ore feedstock to deliver 'proof of concept' copper and gold production using our partner's existing nearby processing facilities, as well as de-risking the Project in terms of confirming the processing route for the ore and further strengthening our relationship with our partner. Initial production will also provide a source of non-dilutive cash flow which can be used to fund additional exploration.

Phase 2's objective was to delineate 3-5Mt of combined copper-gold sulphide and gold oxide mineralisation and in tandem prove up the large scale, high grade epithermal geological model we have for KBE.

Phase 3 will target a 50Mt+ resource at KBE that can sustain a standalone mining operation with its own plant and associated infrastructure. In addition to KBE, there remains significant scope for further gold and copper discoveries to be made across the licence area and work has already commenced on a number of identified targets as part of a wider exploration strategy.

We have already hit our Phase 1 and 2 exploration objectives. In April 2017, we announced an initial JORC resource of 2.22 Mt @ 0.8% Cu and 0.1 g/t Au at 0.3% Cu cut-off which served as the trigger to commence negotiations with our partner's production company, JSC RMG Gold and JSC RMG Copper (together 'RMG') to secure a processing agreement covering the future production of precious and base metal ores mined from the licence area. As well as significantly lowering capital expenditure requirements, gaining access to RMG's processing facilities would fast track production and provide known and agreed contract mining and processing costs.

Phase 2 was achieved in July 2017 when we announced an upgraded global mineral resource estimated in accordance with the guidelines of the JORC Code (2012) of 3.154Mt @ 0.82% Cu & 0.14g/t Au. In conjunction with the gold oxide resource of 2.29Mt @ 0.85g/t Au announced earlier that month, this achieved and exceeded our 3-5 Mt Phase 2 target. To reach the benchmark of 3-5Mt, resource development drilling has taken place across three zones: Gold Zone 1 ('GZ1'); Gold Zone 2 ('GZ2'); and Copper Zone 1 ('CZ1'). It is our belief that these three zones may coalesce at depth to form a large epithermal copper-gold system which provides the basis for both our KBE geological model and our Phase 3 exploration target of a 50Mt+ copper-gold deposit.

Thanks to the excellent progress made, all three zones now have initial JORC compliant resources. Notably, both the base of the oxide and the extent of the gold mineralisation are yet to be fully established. Post period end we announced an initial JORC resource estimate for the gold oxide deposit in GZ2 (as noted above), containing an optimised in-pit mineral resource of 1.14Mt @ 1.10g/t Au. This initial GZ2 resource covered an area extending from surface to the base of the oxides at approximately 40 metres depth with a footprint of approximately 150 x 150 metres. As the resource occurs from surface, no significant stripping will be required on commencing production, which has positive cost implications going forward. Gold and copper mineralisation at KBE remains open in all directions.

Still at GZ2, continuous copper mineralisation was also intercepted from the base of the gold oxide zone to a depth of 200m and post period end we announced global in-pit optimised constrained copper-gold sulphide mineral resources of 1.7Mt @ 1.05% Cu from 1.2Mt @ 1.03% Cu. This was based on a recently discovered breccia pipe situated beneath the base of the gold oxide mineralisation at GZ2.

Finally, at CZ1 a JORC (2012) optimised in-pit resource of 1.2Mt @1.03% Cu @ a 0.4% Cu cut-off within the unconfined estimate of 2.22Mt @ 0.8% Cu and 0.1 g/t Au @ a 0.3% Cu cut-off is in place. These initial resources were important as they were sufficient to launch discussions with our partner for delivery of an initial 1Mt @ 1% Cu-Au sulphide ore for toll treatment at our partner's float plant at the Madneuli mine.

As mentioned earlier much of the mineralisation we have identified remains open at depth. With this in mind it is our intention to test the depth extension of the two breccia pipes at GZ2 and CZ1, as the low to intermediate sulfidation epithermal environment that characterises KB has the potential to "blow-out" at depth and contribute to a more substantial bulk tonnage copper-gold resource in line with the 50Mt+ being targeted by the Company. Further gold oxide and copper-gold sulphide targets across the licence area are regularly being generated and, as previously announced, additional anomalies and drill targets have already been identified. These will be drilled during the current programme as we continue to expand the KB mineral resource development strategy.

Board and Management

As our understanding of the geology at KB has developed, we have taken steps to add the relevant expertise in terms of geology, metallurgy and capital markets experience that will allow us to fully exploit the opportunity in front of us. Complementing last year's appointments of Non-Executive Directors Dr. Neil O'Brien, a leading authority on geology of the Tethyan Belt, and Mr. Peter Damouni, a highly experienced finance expert specifically in the mining sector, the period under review saw us appoint Anthony Frizelle as Non-Executive Chairman and Mr. Laurence Mutch as a Non-Executive Director. These appointments were made to replace Roderick McIllree, who stepped down from the Board to pursue his other business interests, and Non-Executive Chairman Michael Hutchinson, who retired in March 2017. We would like to thank them both for the excellent contribution they have made toward the advancement of the Company over the years and wish them the best for their future endeavours.

Post period end Mr Frizelle resigned as Non-Executive Director and Chairman for personal reasons. The Board would like to take this opportunity to once again thank Tony for his contribution and to wish him well. The process to appoint a new Chairman is underway and an announcement will be made at the appropriate time. In August 2017 we were pleased to announce the appointment of Mr. Mikhail Leskov, a process engineer and metallurgist with more than 35 years' experience, as a senior adviser to assist the Company in the development and commencement of gold and copper production at KB. Mr Leskov will work closely with our partner, as we look to make use of processing facilities at the nearby producing gold and copper mines at Madneuli and Sakdrisi.

Corporate and Financial Review

As an exploration and development company which has no revenue we are reporting a loss for the six months ended 30 June 2017 of £1,083,711 (2016: £497,980). This loss for the period includes exceptional items totalling £384,136 (2016: £23,097) related to foreign exchange losses and share option expenses. The overall results are in line with our budget and the significant increase in activity at our base of operations in Georgia during the period.

During the period the Company successfully raised £5,463,942 million by way of a placing of 34,149,638 new ordinary shares of no par value in the capital of the Company. The funds raised will enable the Company to expand the resource development programme at the KB copper and gold project in Georgia.

Post period end we satisfied our obligation to contribute an initial commitment of US$6 million, thereby earning our 50% in JSC Georgian Copper & Gold ('GCG') in accordance with the Shareholders Agreement between GEO's wholly owned subsidiary GMC Investments Limited ('GMC') and JSC Caucasian Mining Group ('CMG'). CMG were pleased to confirm the initial commitment and gave their full support for the phased future development of KB.

Outlook

I would like to thank the Board and advisors for all their hard work during the period. I would also like to take this opportunity to thank our shareholders, both new and existing, for the support they have shown towards the Company. This is an exciting time for the Company. Our objective is to transform GEO into a major European copper and gold production and development company by proving up the epithermal geological model we have for the KB Project and at the same time achieve our 50Mt-70Mt exploration target. All results received to date have been consistent with our model and have therefore served to strengthen our belief that KB has the potential to become a large scale copper-gold operation on the Tethyan Belt. With this in mind I look forward to providing further updates on our progress in the months ahead.

Gregory Kuenzel
Managing Director
26 September 2017

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

****ENDS****

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

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About Georgian Mining Corporation

Georgian Mining Corporation has 50% ownership and operational control of the Bolnisi Copper and Gold Project in Georgia, situated on the prolific Tethyan Belt, a well-known geological region and host to many high-grade copper-gold deposits and producing mines. The Bolnisi licence covers an area of over 860 sq km and has a 30 year mining licence with two advanced exploration projects; Kvemo Bolnisi and Tsitsel Sopeli. These projects are proximal to existing mining operations which are owned by the Company's supportive joint venture partner. Georgia has an established mining code and is a jurisdiction open to direct foreign investment.

The Company is developing the project in three phases:

- Phase 1: H1 2017 target to delineate a minimum of 1-2 Mt to support initial spare capacity (now achieved and exceeded)
- Phase 2: 2017 target to delineate a 3-5 Mt resource of combined copper-gold sulphide and gold oxide mineralisation (achieved)
- Phase 3: Long term target - to delineate a resource of 50Mt+

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months to 30 June 2017 Unaudited £	6 months to 30 June 2016 Unaudited £
Continuing operations			
Revenue		**-**	2,151
Administration expenses		**(699,639)**	(477,146)
Foreign exchange		**(223,868)**	(22,360)
Share option expense		**(160,268)**	(737)
Operating Loss		**(1,083,775)**	(498,092)
Finance income		**64**	112
Loss Before Income Tax		**(1,083,711)**	(497,980)
Income tax expense		**-**	-
Loss for the period		**(1,083,711)**	(497,980)
Loss attributable to:			
- owners of the Parent		**(1,034,574)**	(446,312)
- non-controlling interests		**(49,137)**	(51,668)
Loss for the period		**(1,083,711)**	(497,980)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**519,593**	1,153,142
Total comprehensive income		**(564,118)**	655,162
Attributable to:			
- owners of the Parent		**(332,946)**	347,685
- non-controlling interests		**(231,172)**	307,477
Total comprehensive income		**(564,118)**	655,162
Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & diluted	7	**(1.179)**	(1.155)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2017 Unaudited £	31 December 2016 Audited £
Non-Current Assets			
Property, plant and equipment		**152,939**	131,968
Intangible assets	5	**10,351,931**	8,612,883
		10,504,870	8,744,851
Current Assets			
Trade and other receivables		**809,393**	416,206
Cash and cash equivalents		**4,257,341**	1,659,314
		5,066,734	2,075,520
Total Assets		**15,571,604**	10,820,371
Current Liabilities			
Trade and other payables		**233,862**	306,118
Total Liabilities		**233,862**	306,118
Net Assets		**15,337,742**	10,514,253
Equity Attributable to owners of the Parent			
Share premium account	6	**38,880,612**	33,653,273
Reverse acquisition reserve		**(18,845,147)**	(18,845,147)
Other Reserves		**1,700,366**	838,470
Retained losses		**(9,807,175)**	(8,772,601)
Total equity attributable to owners of the Parent		**11,928,656**	6,873,995
Non-controlling interest		**3,409,086**	3,640,258
Total Equity		**15,337,742**	10,514,253

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	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**

	Share premium £	Reverse acquisition reserve £	Other Reserves £	Retained losses £	Total £	Non-controlling interest £	Total equity £
As at 1 January 2017	**33,653,273**	**(18,845,147)**	**838,470**	**(8,772,601)**	**6,873,995**	**3,640,258**	**10,514,253**
Comprehensive income							
Loss for the period	-	-	-	(1,034,574)	(1,034,574)	(49,137)	(1,083,711)
Other comprehensive income							
Currency translation differences	-	-	701,628	-	701,628	(182,035)	519,593
Total comprehensive income	-	-	701,628	(1,034,574)	(332,946)	(231,172)	(564,118)
Issue of ordinary shares	5,463,942	-	-	-	5,463,942	-	5,463,942
Issue costs	(236,603)	-	-	-	(236,603)	-	(236,603)
Share option charge	-	-	160,268	-	160,268	-	160,268
Total transactions with owners	5,227,339	-	160,268	-	5,387,607	-	5,387,607
As at 30 June 2017	**38,880,612**	**(18,845,147)**	**1,700,366**	**(9,807,175)**	**11,928,656**	**3,409,086**	**15,337,742**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 June 2017 Unaudited £	**30 June 2016 Unaudited £**
Cash flows from operating activities		
Loss before taxation	**(1,083,711)**	(497,981)
Adjustments for:		
Depreciation	**17,406**	6,637
Finance income	**(64)**	(112)
Share based expense	**160,268**	-
Share based payments	**24,887**	50,400
Foreign exchange	**261,612**	62,819
Increase in trade and other receivables	**(393,187)**	(1,427)
Decrease in trade and other payables	**(72,256)**	(10,012)
Net cash used in operations	**(1,085,045)**	(389,676)
Cash flows from investing activities		
Interest received	**64**	112
Purchase of property, plant & equipment	**(38,377)**	(83,661)
Additions to exploration and evaluation intangibles	**(1,525,242)**	(537,512)
Net cash used in investing activities	**(1,563,555)**	(621,061)
Cash flows from financing activities		
Proceeds from issue of shares	**5,439,055**	980,000
Cost of issue	**(236,603)**	(57,501)
Net cash from financing activities	**5,202,452**	922,499
Net (decrease) / increase in cash and cash equivalents	**2,553,852**	(88,238)
Cash and cash equivalents at beginning of period	**1,659,314**	281,671
Exchange differences on cash	**44,175**	1,326
Cash and cash equivalents at end of period	**4,257,341**	194,759

Major non-cash transactions

On 23 May 2017 the Company issued 155,545 new ordinary shares of no par value at a price of 16 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 Georgian Mining Corporation ('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 10 October 2016 the Company changed its name from Noricum Gold Limited to Georgian Mining Corporation.

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 2016, 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 2016 were approved by the Board of Directors on 21 June 2017. The report of the auditors on those financial statements was unqualified.

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 2017.

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 2016 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.georgianmining.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 2016 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 2016 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 2017.

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning on or after 1 January 2017 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 2017 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 2017 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 2017 (2016: 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 2017	8,612,883
Additions	1,525,242
Exchange rate variances	213,806
As at 30 June 2017	**10,351,931**

6. Share capital and share premium

	Number of shares	**Ordinary shares**	**Share premium**	**Total**
		£	**£**	**£**
Issued and fully paid				
As at 1 January 2016	2,693,771,064	-	29,090,348	29,090,348
Issue of new shares – 21January 2016	1,250,000,000	-	942,500	942,500
Issue of new shares – 21 January 2016	63,000,000	-	50,400	50,400
Issue of new shares – 1 July 2016	785,714,286	-	1,036,025	1,036,025
5 October 2016 – Consolidation of shares, 100 shares consolidated to 1 share	(4,744,560,497)	-	-	-
Issue of new shares – 16 December 2016	32,500,000	-	2,534,000	2,534,000
As at 31 December 2016	**80,424,854**	**-**	**33,653,273**	**33,653,273**
As at 1 January 2017	80,424,854	-	33,653,273	33,653,273
Issue of new shares – 23 May 2017 (1)	34,149,638	-	5,227,339	5,227,339
As at 30 June 2017	**114,574,492**	**-**	**38,880,612**	**38,880,612**

(1) *Includes issue costs of £236,602*

7. Loss per share

The calculation of the total basic loss per share of 1.179 pence (2016: 1.155 pence) is based on the loss attributable to equity owners of the parent company of £1,034,574 (2016: £446,312) and on the weighted average number of ordinary shares of 87,783,063 (2016: 38,647,255) in issue during the period.

On 5 October 2016, a consolidation of shares occurred where every 100 shares were consolidated to 1 share. This resulted in the 2016 total basic loss per share adjusted from 0.012 pence to 1.155 pence and the weighted average number of ordinary share reduced from 3,864,725,538 to 38,647,255.

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 2016.

8. Fair value estimation

There are no financial instruments carried at fair value.

9. 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.

10. Commitments

All commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2016.

11. Events after the balance sheet date

There have been no events after the reporting date of material nature.

12. Approval of interim financial statements

The condensed interim financial statements were approved by the Board of Directors on 26 September 2017.