

ECR MINERALS plc
(“ECR Minerals”, “ECR” or the “Company”)

AIM: ECR
US OTC: MTGDY

**UNAUDITED HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 31 MARCH
2016 AND UPDATE**

LONDON: 30 JUNE 2016 - The directors of ECR Minerals plc (the “Directors”) are pleased to announce the Company’s unaudited half-yearly results for the six months to 31 March 2016, along with the following update.

CHIEF EXECUTIVE OFFICER’S REPORT

Since my last report to shareholders, published on 7 March 2016 alongside ECR’s annual financial statements, the Company’s focus has been on the Avoca and Bailieston gold projects in Victoria, Australia, of which ECR’s wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd (“MGA”) has agreed to acquire 100% ownership.

MGA is prioritising the Avoca project, where the potential to generate relatively short-term cash flow from the reprocessing of historical waste dumps to extract remnant gold is being evaluated. MGA is well placed to act as the corporate vehicle for this activity, on the basis of its estimated tax losses of approximately AUD 66M as at 30 June 2015, which may be available, subject to certain conditions (as described in the Company’s announcement of 4 December 2015), to reduce MGA’s future taxable profits.

Australia has become a more attractive operating environment for gold projects following the substantial depreciation in the Australian dollar against the US dollar which occurred during 2015. The Australian dollar gold price is at close to record highs. In addition, fuel, labour, consultants and other key mining inputs have fallen significantly in price.

The acquisition of the Avoca and Bailieston projects represents a strategic shift for ECR towards operations in Australia through MGA, and the plan to establish relatively short-term production at Avoca is a key element of this strategy.

The consideration for the acquisition of the Avoca and Bailieston projects by MGA comprises up to AUD 250,000 in ECR shares (based on certain milestones), and a net profits interest royalty of 20% in respect of mine dumps and 10% in respect of other deposits (royalty capped at AUD 3.5M). The structure of the transaction has the effect of aligning the interests of the vendors with those of MGA/ECR.

The acquisition of the projects remains conditional on the necessary Victorian government authorisations and registration of the transfer of the projects to MGA, and on issuance of the Initial Consideration Shares (as defined in the Company’s 3 March 2016 announcement).

COMPETENT PERSON’S REPORT AND EXPLORATION TARGETS

On 20 April 2016, the Company released a JORC Code-compliant technical report in relation to the Avoca and Bailieston projects (the “CPR”). The CPR was prepared by Mr Jeremy Peters BSc, BEng, FAusIMM CP (Min, Geo), who is employed by Snowden Mining Industry Consultants, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the type of activity being undertaken. The CPR described the history and potential of the two projects in great detail, and determined Exploration Targets for the projects, in accordance with the JORC Code.

The Exploration Targets are set out in Table 1 below and have been extracted from the CPR, which is available on the Company's website (www.ecrminerals.com). ECR confirms it is not aware of any new information or data that materially affects the information included in the original announcement of the Exploration Targets and confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original announcement.

Table 1: Summary of JORC Exploration Targets* - Avoca and Bailieston

Project	Target style	Tonnage		Grade		Troy ounces**	
		From	To	From	To	From	To
Avoca	Waste dumps	0.20 Mt	0.25 Mt	0.5 g/m ³	1.5 g/m ³	2,000 oz	8,000 oz
	Deep lead alluvial	10 Mt	20 Mt	0.14 g/m ³	0.20 g/m ³	30,000 oz	85,500 oz
	Gravel and sand	0.1 Mt	0.5 Mt				
	Mesothermal qtz vein	0.03 Mt	0.5 Mt	10 g/t	30 g/t	9,500 oz	482,500 oz
Bailieston	Epithermal 'Carlin'	1 Mt	5 Mt	1 g/t	4 g/t	32,000 oz	643,000 oz
Totals						74,000 oz	1,219,000 oz

* The ranges of tonnage and grade stated above are conceptual in nature, are not estimates of a Mineral Resource or Ore Reserve, and pertain to mineralisation where there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The basis on which the above Exploration Targets have been determined is set out in the CPR.

** Conversion of the ranges of tonnage and grade for the "deep lead alluvial" and "waste dumps" Exploration Targets to ounces assumes a specific gravity of 1.5; figures in ounces are rounded to the nearest 500 oz.

AVOCA AND BAILIESTON PROJECT ACTIVITIES

Following finalisation of the CPR, MGA initiated a number of work programmes, including:

AVOCA PROJECT

* Completion of a mineral resource estimate for the dumps, entailing additional augur sampling. The necessary sampling was completed in April 2016. Gold resource estimates encompassing four waste dumps within the Avoca project area have been compiled in draft form, and are being refined with additional data as it becomes available.

* Metallurgical testwork on samples from the dumps, with a focus on gravity recovery options. A bulk sample for metallurgical testwork has now been despatched to the laboratory, and testwork results are expected during July 2016.

* Preparation of an economic study of the proposed reprocessing of the dumps, setting out the capital requirements and projected returns from the operation, and the timescale which would be required to reach production. Completion of the study is targeted for July 2016.

BAILIESTON PROJECT

* Rock chip and soil sampling at various prospects within the Bailieston Exploration Licence. A programme of rotary air blast (RAB) percussion drilling at Bailieston had been planned to commence in late June 2016, but has now been deferred until later in the year in order to allow key personnel to concentrate on the Avoca project.

NEW EXPLORATION LICENCE APPLICATIONS, AUSTRALIA

Two new Exploration Licences (ELs) have been applied for in Victoria by MGA. One EL application is in the vicinity of the Avoca project, and the other is in the vicinity of the Bailieston project. Both EL applications have been accepted by the Victorian government, and issuance of the ELs, if granted, is expected in the second half of 2016.

The EL application in the vicinity of Avoca contains a number of significant historical waste dumps originating from 'deep lead' alluvial gold mining activities, as is the case within EL5387 (the EL which currently comprises the Avoca project). Historical production from the main alluvial mines within the area of the new application is reported by the Geological Survey of Victoria to have exceeded 272,000oz gold.

MGA's intention is to assess the suitability of the resulting waste dumps for reprocessing in order to extract remnant gold, and the new EL application can be considered an enlargement of the Avoca project. The Exploration Target in Table 1 above does not take account of the new EL which has been applied for.

The EL application near Bailieston is intended to expand MGA's exploration footprint in the district, which currently hosts two significant producing gold mines (Costerfield and Fosterville) within approximately 30km of the Bailieston project.

DANGLAY GOLD PROJECT, PHILIPPINES

As announced on 13 June 2016, Cordillera Tiger Gold Resources, Inc. ("Cordillera Tiger"), the holder of the Exploration Permit (the "EP") comprising the Danglay project, was recently invited by the Philippine Mines & Geosciences Bureau (MGB) to sign the renewed EP in quadruplicate. All signed copies have been returned to the MGB, and ECR expects the final renewed EP to be issued in due course.

An announcement regarding ECR's intentions for further exploration at Danglay will be made at or around the time the final renewed EP is received by Cordillera Tiger.

SLM GOLD PROJECT, ARGENTINA

It remains the preference of the Directors for the SLM project to be advanced in partnership with a local group, and discussions in this regard are taking place under confidentiality.

FINANCIAL RESULTS

For the six months ended 31 March 2016 the financial statements of the Company as consolidated with its subsidiaries (the "Group") record a total comprehensive expense of £533,170, the largest component of which is other administrative expenses of £296,286, which relate primarily to the development of the Company's projects. The Group reported a total comprehensive expense of £896,320 for the six months ended 31 March 2015.

The Group's net assets were £1,907,983 at 31 March 2016 compared with £4,515,381 at 31 March 2015, primarily reflecting the decision at 30 September 2015 to make an impairment provision against the carrying value of the MGA deferred tax asset. Exploration assets at 31 March 2016 were £2,224,024, versus £1,766,779 at 31 March 2015, reflecting the investments made in the Company's projects.

Stephen Clayson
Chief Executive Officer

Review of announcement by Qualified Person

This announcement has been reviewed by William (Bill) Howell BSc (Hons), FAusIMM, FSEG, ECR's Non-Executive Chairman. Mr Howell is a geologist with 49 years of experience in the minerals industry, and is a Qualified Person as that term is defined by the AIM Note for Mining, Oil and Gas Companies.

ABOUT ECR

ECR is a mineral exploration and development company. ECR's wholly owned Australian subsidiary Mercator Gold Australia (MGA) has agreed to acquire 100% ownership of the Avoca and Bailieston gold projects in Victoria, Australia. Mercator Gold Australia is estimated to have tax losses of approximately AUD 66M as at 30 June 2015, which may be available, subject to certain conditions (as described in ECR's announcement dated 4 December 2014), to reduce MGA's future taxable profits. This is considered particularly significant in view of an opportunity which may exist at Avoca to establish relatively near term gold production from the reprocessing of historical mine dumps, with the potential for sale of gravel and sand by-products. A competent person's report in relation to the Avoca and Bailieston projects is available for download from ECR's website.

ECR has the right to earn a 50% interest in the Danglay epithermal gold project in the Philippines. Danglay is an advanced exploration project located in a prolific gold and copper mining district in the north of the Philippines. An NI43-101 technical report was completed in respect of the Danglay project in December 2015, and is available for download from ECR's website.

ECR's wholly owned subsidiary Ochre Mining has a 100% interest in the SLM gold project in La Rioja Province, Argentina. Exploration at SLM has focused on identifying small tonnage mesothermal gold deposits which may be suitable for relatively near term production.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FORWARD LOOKING STATEMENTS

This announcement may include forward looking statements. Such statements may be subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from current expectations. There can be no assurance that such statements will prove to be accurate and therefore actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. Any forward looking statements contained herein speak only as of the date hereof (unless stated otherwise) and, except as may be required by applicable laws or regulations (including the AIM Rules for Companies), the Company disclaims any obligation to update or modify such forward looking statements as a result of new information, future events or for any other reason.

Consolidated Income Statement

For the six months ended 31 March 2016

	Six months ended 31 March 2016	Six months ended 31 March 2015	Year ended 30 September 2015
<i>Continuing operations</i>	£	£	£
Exploration expenses	–	–	(65,990)
Other administrative expenses	(296,286)	(629,183)	(941,359)
Currency exchange differences	(95)	18,542	(22,356)
Impairment of other current assets	(780)	–	–
Total administrative expenses	(297,161)	(610,641)	(1,029,705)
Operating loss	(297,161)	(610,641)	(1,029,705)
Loss on disposal of available for sale financial assets	(609)	(138,590)	(137,131)
Reclassification of fair value movements on disposal of available for sale assets	–	(88,381)	(14,750)
	(297,770)	(837,612)	(1,181,586)
Finance income	21	19	28
Finance costs	(135,370)	(166,150)	(321,180)
Finance income and costs	(135,349)	(166,131)	(321,152)
Loss for the period before taxation	(433,119)	(1,003,743)	(1,502,738)
Income tax	–	–	(3,217,484)
Loss for the period	(433,119)	(1,003,743)	(4,720,222)
Loss attributable to: Owners of the parent	(433,119)	(1,003,743)	(4,720,222)
Loss per share – basic and diluted	(0.01)p	(0.03)p	(0.13)p

Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2016

	Six months ended 31 March 2016	Six months ended 31 March 2015	Year ended 30 September 2015
	£	£	£
Loss for the period	(433,119)	(1,003,743)	(4,720,222)
Items that may be reclassified subsequently to profit or loss			
Reclassification of fair value movements to Income Statement on disposal of available for sale assets	—	88,381	14,750
Gain/(losses) on exchange translation	(100,051)	19,042	22,193
Other comprehensive income/(expense) for the period	(100,051)	107,423	36,943
Total comprehensive expense for the period	(533,170)	(896,320)	(4,683,279)
Attributable to:			
Owners of the parent	(533,170)	(896,320)	(4,683,279)

Consolidated Statement of Financial Position

At 31 March 2016

	As at 31 March 2016 £	As at 31 March 2015 £	As at 30 September 2015 £
Assets			
Non-current assets			
Property, plant and equipment	6,237	9,360	7,705
Exploration assets	2,224,024	1,766,779	2,132,224
Deferred tax asset	—	3,218,173	—
Total non-current assets	2,230,261	4,994,312	2,139,929
Current assets			
Trade and other receivables	4,712	135,491	74,233
Available for sale financial assets	39,277	48,296	39,277
Taxation	36,282	2,691	2,514
Other current assets	2,672	2,672	2,672
Cash and cash equivalents	103,883	302,754	90,398
	186,826	491,904	209,094
Total assets	2,417,087	5,486,216	2,349,023
Current liabilities			
Trade and other payables	409,886	247,932	351,850
Interest bearing borrowings	99,218	722,903	451,104
Total liabilities	509,104	970,835	802,954
Net assets	1,907,983	4,515,381	1,546,069
Equity attributable to owners of the parent			
Share capital	11,103,901	10,782,878	11,071,602
Share premium	41,443,507	40,297,903	40,802,469
Exchange reserve	(169,700)	(72,800)	(69,649)
Other reserves	1,067,423	821,320	845,677
Retained losses	(51,537,149)	(47,313,920)	(51,104,030)
Total equity	1,907,983	4,515,381	1,546,069

Consolidated statement of changes in equity

For the six months ended 31 March 2016

	Share capital	Share premium	Exchange reserves	Other reserves	Retained reserves	Total Equity
	£	£	£	£	£	£
At 1 October 2014	10,483,166	40,131,118	(91,842)	485,160	(46,398,558)	4,609,044
Loss for the period	–	–	–	–	(1,003,743)	(1,003,743)
Gain on disposal of available for sale assets	–	–	–	–	88,381	88,381
Gain on exchange translation	–	–	19,042	–	–	19,042
Total comprehensive income/(expense)	–	–	19,042	–	(915,362)	(896,320)
Conversion of loan notes	274,741	153,130	–	–	–	427,871
Share based payments	–	–	–	288,831	–	288,831
Warrants issued in lieu of finance cost	–	–	–	47,329	–	47,329
Shares issued in payment of creditors	24,971	13,655	–	–	–	38,626
At 31 March 2015	10,782,878	40,297,903	(72,800)	821,320	(47,313,920)	4,515,381
Loss for the period	–	–	–	–	(3,716,479)	(3,716,479)
Reclassification of fair value movements to Income Statement	–	–	–	–	14,750	14,750
Gain on exchange translation	–	–	3,151	–	–	3,151
Total comprehensive expense	–	–	3,151	–	(3,701,729)	(3,698,578)
Conversion of loan notes	273,803	203,925	–	–	–	477,728
Shares issued	6,556	288,444	–	–	–	295,000
Warrants issued in lieu of finance cost	–	–	–	24,357	–	24,357
Shares issued in payment of creditors	8,365	12,197	–	–	–	20,562
Gain on disposal of available for sale assets	–	–	–	–	(88,381)	(88,381)
At 30 September 2015	11,071,602	40,802,469	(69,649)	845,677	(51,104,030)	1,546,069
Loss for the period	–	–	–	–	(433,119)	(433,119)
Loss on exchange translation	–	–	(100,051)	–	–	(100,051)
Total comprehensive income/(expense)	–	–	(100,051)	–	(433,119)	(533,170)
Conversion of loan	18,721	550,480	–	–	–	569,201
Share issue costs	–	(4,500)	–	–	–	(4,500)
Shares issued	12,500	59,197	–	–	–	71,697
Warrants issued	–	–	–	178,303	–	178,303
Share based payments	–	–	–	43,443	–	43,443
Shares issued in payment of creditors	1,078	35,861	–	–	–	36,939
At 31 March 2016	11,103,901	41,443,507	(169,700)	1,067,423	(51,537,149)	1,907,983

Consolidated Cash Flow Statement

For the six months ended 31 March 2016

	Six months ended 31 March 2016 £	Six months ended 31 March 2015 £	Year ended 30 September 2015 £
Net cash flow used in operations	(202,513)	(400,151)	(654,704)
Investing activities			
Increase in exploration assets	(191,851)	(331,393)	(719,108)
Investment in available for sale asset	—	(39,276)	(39,276)
Proceeds from sale of available for sale financial assets	—	119,974	68,022
Cash introduced on regaining control of subsidiary	—	10,218	10,125
Interest received	21	19	28
Net cash generated in investing activities	(191,830)	(240,458)	(680,209)
Financing activities			
Proceeds from issue of shares and warrants	250,000	—	295,000
Proceeds from convertible loan	174,801	300,623	494,774
Finance costs on fundraising	(4,500)	—	(38,956)
Interest paid and other financing costs	(12,222)	—	(1,384)
Net cash from financing activities	408,079	300,623	749,434
Net change in cash and cash equivalents	13,736	(339,986)	(585,479)
Cash and cash equivalents at beginning of the period	90,398	642,056	642,056
Effect of change in exchange rates	(251)	684	33,821
Cash and cash equivalents at end of the period	103,883	302,754	90,398

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2016

1. Basis of preparation

The condensed consolidated half-yearly financial statements incorporate the financial statements of the Company and its subsidiaries (the “Group”) made up to 31 March 2016. The results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date such control ceases.

These condensed half-yearly consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2015. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 September 2015. The report of the auditors on those accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, but did include a reference to matters which the auditors drew attention to by way of emphasis without qualifying their report.

The accounting policies have been applied consistently throughout the Group for the purpose of preparation of these consolidated half-yearly financial statements.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the six months ended 31 March 2016 and 31 March 2015 is unaudited. The comparative figures for the period ended 30 September 2015 were derived from the Group’s audited financial statements for that period as filed with the Registrar of Companies. They do not constitute the financial statements for that period.

2. Going concern

The Directors are satisfied that the Company has sufficient resources to continue its operations and to meet its commitments for the immediate future. The Group therefore continues to adopt the going concern basis in preparing its condensed half-yearly financial statements.

3. Cash and cash equivalents

Cash includes petty cash and cash held in bank current accounts. Cash equivalents include short-term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

4. Loss per share

	Six months ended 31 March 2016	Six months ended 31 March 2015	Year ended 30 September 2015
Weighted number of shares in issue during the year	6,540,043,560	3,414,964,925	3,744,400,803
	£	£	£
Loss for the period attributable to owners of the parent	(433,119)	(1,003,743)	(4,720,222)

The disclosure of the diluted loss per share is the same as the basic loss per share as the conversion of share options decreases the basic loss per share thus being anti-dilutive.

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2016

5. Income tax

No charge to tax arises on the results and no deferred tax provision arises or deferred tax asset is identified.

6. Related party transactions

The Directors are the only key management.

Directors' remuneration during the period was as follows:

	Six months ended 31 March 2016 £	Six months ended 31 March 2015 £	Year ended 30 September 2015 £
Directors' emoluments	106,500	114,139	226,200
Share-based payments	–	182,697	182,697
Total emoluments	106,500	296,836	408,897

There were no other related party transactions during the period.

7. Share issues during the period

On 12 October 2015 the Company announced the issue of 124,095,238 ordinary shares of 0.001p each in the Company following the partial conversion of a convertible loan amounting to US\$100,000 at a price of £0.000525 (0.0525 pence) per share, with an additional 20,908,800 ordinary shares issued at the same price in settlement of accrued interest on the convertible loan.

On 26 October 2015 the Company announced the issue of 186,309,751 ordinary shares of 0.001p each in the Company following the partial conversion of a convertible loan amounting to US\$150,000 at a price of £0.000523 (0.0523 pence) per share, with an additional 715,430 ordinary shares issued at the same price in settlement of accrued interest on the convertible loan.

On 4 November 2015 the Company announced the issue of 244,293,785 ordinary shares of 0.001p each in the Company following the partial conversion of a convertible loan amounting to US\$200,000 at a price of £0.000531 (0.0531 pence) per share, with an additional 20,330,132 ordinary shares issued at the same price in settlement of accrued interest on the convertible loan.

On 18 November 2015 the Company announced it had received firm commitments in respect of a placing and subscription of 1,250,000,000 new ordinary shares of the Company of 0.001p at a price of 0.02p each to raise gross proceeds of £250,000. Subscribers in the placing were issued one warrant per placing share (the "Warrants"). Each Warrant will entitle the holder to subscribe for one ordinary share of 0.001p in the Company at a price of 0.04p per ordinary share (the "Exercise Price"). Each Warrant shall be valid for three years from the date the corresponding placing shares were admitted to trading on AIM. In the event the Company announces that the total mineral resources estimated at the Danglay gold project in the Philippines have exceeded 500,000oz contained gold equivalent in accordance with a Standard, the Exercise Price of the Warrants shall be increased to 0.06p per ordinary share. The term "Standard" is defined by the AIM Note for Mining and Oil & Gas Companies.

On 12 January 2016 the Company announced the issue of 455,907,336 ordinary shares of 0.001p each in the Company following the partial conversion of a convertible loan amounting to US\$150,000 at a price of £0.000227 (0.0227 pence) per share, with an additional 58,039,184 ordinary shares issued at the same price in settlement of accrued interest on the convertible loan.

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2016

Share issues during the period (*continued*)

On 10 February 2016 the Company announced the issue of 537,618,001 ordinary shares of 0.001p each in the Company following the partial conversion of a convertible loan amounting to US\$150,000 at a price of £0.000193 (0.0193 pence) per share, with an additional 2,945,868 ordinary shares issued at the same price in settlement of accrued interest on the convertible loan.

On 31 March 2016 the Company announced the issue of 323,904,939 ordinary shares of 0.001p each in the Company following the partial conversion of a convertible loan amounting to US\$100,000 at a price of £0.000215 (0.0215 pence) per share, with an additional 4,880,775 ordinary shares issued at the same price in settlement of accrued interest on the convertible loan.

8. Consolidated Cash Flow Statement

	Six months ended 31 March 2016 £	Six months ended 31 March 2015 £	Year ended 30 September 2015 £
Operating activities			
Loss for the period, before tax	(433,119)	(1,003,743)	(1,502,738)
Adjustments:			
Depreciation expense, property, plant and equipment	1,468	1,469	3,111
Provision and impairment of investment and loans	–	88,381	14,750
(Gain)/loss on available for sale financial assets	–	(135,590)	137,131
Interest income	(21)	(19)	(28)
Interest on convertible loans	135,118	166,094	319,796
Interest expense – other	252	56	1,384
Share based payments	–	288,831	288,831
Shares issued in lieu of expense payments	–	–	8,874
(Increase) /decrease in accounts receivable	69,521	(46,469)	6,539
Increase/(Decrease) in accounts payable	58,036	(38,030)	67,103
(Increase)/decrease in taxation	(33,768)	(311)	543
Net cash flow used in operations	(202,513)	(400,151)	(654,704)

The figures in this note for interest paid on convertible loans include the deemed cost of warrants issued with each convertible loan tranche, as well as implementation fees paid in respect of each tranche.

9. Post period end events

On 20 April 2016 the Company announced the publication of a JORC Code-compliant technical report prepared in relation to the Avoca and Bailieston gold projects in Victoria, Australia.

On 27 April 2016 the Company announced details of immediate plans to advance the Avoca and Bailieston gold projects in Victoria, Australia.

On 3 May 2016 the Company announced the appointment of Craig William Brown as Finance Director with immediate effect.

On 11 May 2016 the Company announced the issue of 415,402,731 ordinary shares of 0.001p each in the Company as follows (i) 61,163,435 ordinary shares at a price of 0.0225625 pence per share in settlement of consulting fees payable by the Company totaling £13,800 and (ii) 348,510,371 ordinary shares following the partial conversion of a convertible loan amounting to US\$100,000 at a price of £0.000198875 (0.0198875 pence) per share. An additional 5,728,925 ordinary shares were issued at a price of £0.000198875 (0.0198875 pence) per share in settlement of accrued interest on the convertible loan.

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2016

Post period end events (*continued*)

On 13 June 2016, the Company announced an update on activities which included details of applications for two new Exploration Licences by its wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd.