ECR MINERALS plc
("ECR Minerals", "ECR" or the "Company")

AIM: ECR
US OTC: MTGDY

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2013 AND UPDATE

London: 28 June 2013 - ECR Minerals plc is pleased to provide its unaudited interim results for the six months to 31 March 2013 along with the following update on its activities.

HIGHLIGHTS

- Due diligence underway on Itogon gold-silver project in Philippines, in which ECR has the option to earn a 50% interest

- Financial position of the Company substantially improved following fundraisings in May and June

- Process of realising value from other assets including shareholding in THEMAC and Sierra de las Minas gold project continuing

UPDATE ON ACTIVITIES

ECR continues to undergo transformative changes intended to create a business with the ability to survive and prosper even in the present climate of negative sentiment towards mining and mineral exploration companies.

What we hope will prove to be a cornerstone of ECR's future development was laid in late April 2013 when the Company secured the exclusive right and option to earn a 50% interest in the Itogon gold-silver project in the Philippines, through an earn-in and joint venture agreement (the "Agreement") with Tiger International Resources Inc. ("Tiger") and Tiger's subsidiary Cordillera Tiger Gold Resources Inc. ("Cordillera Tiger").

The exploration target in the Itogon project area is a steeply dipping wide hydrothermal or epithermal gold-silver system. At least five gold and silver bearing quartz veins have been mapped and are indicated to be continuous (especially the main vein) or semi continuous and steeply dipping (near vertical). The five sub parallel vein sets are recognised as occurring within a zone up to 250m wide and up to 600m long. There is an extensive database of historical work relating to the project, including results of drilling, metallurgical testwork and surface sampling. The project is located some 14km from the city of Baguio in the Central Cordillera of Luzon, which is a gold and copper mining district of great significance and hosts numerous sizable producing mines and former producers.

The Agreement gives ECR the exclusive right and option to earn a 50% interest in Cordillera Tiger and thereby in the Itogon project by obtaining, for Cordillera Tiger, a mining licence in respect of the project within five years of the commencement of the earn-in and by making certain staged payments to Tiger. ECR will fund all expenditure required for Cordillera Tiger to obtain a mining licence, and through Cordillera Tiger, will be the operator of the project during the earn-in. After a mining licence is obtained ECR and Tiger would fund development of the Itogon project pro rata, or the non-funding partner would be diluted.

A technical report filed by Tiger, dated 28 May 2011 and downloadable from the Canadian securities database SEDAR.com stated an overall resource target for the Itogon project "of the order of 0.5 to 1 million ounces of gold". The author of the report, Jaime C. Zafra, also expressed the opinion that "a potential self-draining open pit on the main vein could host in the order of 300,000oz gold". However, these are statements of opinion rather than resource estimates and should be considered highly speculative and subject to the results of future exploration.

Overall, the Itogon project appears to have significant exploration potential, and ECR considers the Philippines, and in particular the north of the country, to be an attractive locale in which to operate. Of particular importance are the relatively low cost base of the Philippines and the availability of skilled labour and mining services. The attributes of the Itogon project may enable ECR to attract a strategic investor and the Company will be seeking to do so, although the commencement of the earn-in is likely to be a prerequisite.

The period during which, pursuant to the Agreement, ECR may exercise its right to earn a 50% interest in the Itogon project will run for five years commencing on the later of: the date ECR notifies Tiger that the Company has completed due diligence to its satisfaction; the date Cordillera Tiger receives absolute confirmation that the exploration permit pertaining to the Itogon project has been extended for a further two years; and the date on which, if required, TSX Venture Exchange approval of the Agreement is received by Tiger or Tiger elects to proceed without such approval.

The Company is evaluating opportunities for area consolidation in the context of the Itogon project, and is also reviewing a small number of new project opportunities in the Asia Pacific region outside the Philippines. In both cases, it may be possible to secure assets that are complementary to Itogon and in doing so to strengthen ECR and its ability to attract the long term financing necessary to move the Company's projects forward and create value for shareholders.

ECR is currently working to complete its due diligence with respect to the Agreement, and has agreed to do so within 90 days of the date thereof (26 April 2013). A complete summary of ECR's rights under the Agreement and additional information on the Itogon project is provided in the Company's announcement dated 29 April 2013.

Away from the Philippines, ECR is continuing to seek a purchaser or joint venture partner for its 100% owned Sierra de las Minas gold project in Argentina. Discussions to date have not led to a transaction, but other avenues are being explored.

ECR looks forward to seeing the administration of its Australian subsidiary Mercator Gold Australia Pty Ltd ("MGA") concluded, as this would open the door to a transaction to take advantage of that company's substantial tax losses, and accordingly ECR is maintaining communication with the administrators.

Finally, the Company has continued to sell down its holding in THEMAC Resources Group Ltd ("THEMAC"), and presently holds around 15.7% of THEMAC's issued shares. On a fully diluted basis ECR's interest in the share capital of THEMAC is presently around 16.9%, owing to the Company's holding of 10.5 million share purchase warrants of THEMAC exercisable at C$0.28 per share until 4 March 2016.

In view of prevailing market conditions ECR considers the monetisation of its THEMAC shares to be a prudent course, and sales to date have strengthened the Company's financial position to the tune of approximately C$180,000. Separately, £850,000 before costs has been raised via two placings of new ECR ordinary shares of 0.1p ("Ordinary Shares") completed in May and June 2013. The proceeds support the ongoing operations of the Company.

FINANCIAL RESULTS

For the six months ended 31 March 2013 the financial statements of the Company as consolidated with its subsidiaries (the "Group") record a total comprehensive expense of £4,962,352. This figure is mostly as a result of a fall in the fair value of ECR's holding in THEMAC, and compares with total comprehensive income of £69,690 for the six months ended 31 March 2012, a figure which conversely arose as a result of an increase in the fair value of ECR's holding in THEMAC over that particular period.

The Group's net assets were £5,801,775 at 31 March 2013 compared with £15,163,264 at 31 March 2012, reflecting not only the fall in the value of ECR's holding in THEMAC, but other factors including the disposal of the Company's 70% shareholding in Gold Crest Holdings Ltd, the holding company for the ACS Asia manufacturing business, and impairment provisions in relation to the Company's holdings in Warm Springs Renewable Energy Corporation and Paniai Gold Ltd.

Stephen Clayson
Chief Executive Officer

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Consolidated income statement

For the six months ended 31March 2013

	Six months ended 31 March 2013	Six months ended 31 March 2012 Restated	Year ended 30 September 2012
Continuing operations	**£**	**£**	**£**
Revenue	–	–	–
Cost of sales	–	–	–
Gross profit	**–**	**–**	**–**
Exploration expenses	(4,726)	(339,030)	(591,276)
Other administrative expenses	(287,209)	(649,837)	(942,625)
Impairment of and loss on disposal of available for sale financial assets	–	–	(6,339)
Currency exchange differences	(1,239)	(15,331)	(28,270)
Impairment of other current assets	–	–	(17,587)
Impairment of and loss on disposal of other investments	–	(156,629)	(387,453)
Total expenses	(293,174)	(1,160,827)	(1,973,550)
Operating loss	**(293,174)**	**(1,160,827)**	**(1,973,550)**
(Loss)/gain on revaluation of other investments	(2,034,425)	963,450	(1,614,327)
Loss on derivative	–	–	(4,258)
Loss on disposal of available for sale financial asset	(33,899)	–	–
	(2,361,498)	(197,377)	(3,592,135)
Finance income	23	8,385	3,017
Financial expense	(285,985)	(304,342)	(484,530)
Finance income and costs	**(285,962)**	**(295,957)**	**(481,513)**
Loss for the period before taxation	**(2,647,460)**	**(493,334)**	**(4,073,648)**
Income tax	–	–	(3,396)
Loss for the period from continuing operations	**(2,647,460)**	**(493,334)**	**(4,077,044)**
Discontinued operations			
Profit/(loss) from discontinued operations (Note 4)	171,040	(465,990)	(182,070)
Loss for the period	**(2,476,420)**	**(959,324)**	**(4,259,114)**
Loss attributable to:			
Owners of the parent	(2,467,195)	(854,303)	(4,202,621)
Non–controlling interests	(9,225)	(105,021)	(56,493)
	(2,476,420)	**(959,324)**	**(4,259,114)**
Earnings/(loss) per share – basic and diluted			
On continuing operations	*(0.27)p*	*(0.07)p*	*(0.57)p*
On discontinued operations	*0.02p*	*(0.06)p*	*(0.02)p*
On continuing and discontinued operations	*(0.25)p*	*(0.13)p*	*(0.59)p*

Consolidated statement of comprehensive income

For the six months ended 31March 2013

	Six months ended 31 March 2013	Six months ended 31 March 2012 Restated	Year ended 30 September 2012
	£	£	£
Loss for the period	**(2,476,420)**	**(959,324)**	**(4,259,114)**
Items that are or may be reclassified subsequently to profit or loss			
Fair value movements on available for sale assets	(2,341,874)	1,063,056	(1,852,640)
Losses on exchange translation	(8,540)	(34,042)	(53,408)
Reclassification of exchange differences	(135,518)	–	–
	(2,485,932)	1,029,014	(1,906,048)
Total comprehensive (expense)/income for the period	**(4,962,352)**	**69,690**	**(6,165,162)**
Attributable to:			
Owners of the parent	(4,953,127)	162,856	(6,110,457)
Non–controlling interest	(9,225)	(93,166)	(54,705)
Total comprehensive (expense)/income for the period	**(4,962,352)**	**69,690**	**(6,165,162)**

Consolidated statement of financial position

At 31 March 2013

	As at 31 March 2013	As at 31 March 2012	As at 30 September 2012
Assets	**£**	**£**	**£**
Non–current assets			
Property plant and equipment	1,674	536,980	2,518
Available for sale financial assets	–	–	–
Other investments	–	230,824	–
Exploration assets	821,702	445,322	800,411
Other non-current assets	32,654	237	31,671
Other receivables	3,228,390	–	3,228,390
Total non-current assets	**4,084,420**	**1,213,363**	**4,062,990**
Current assets			
Inventories	–	653,606	–
Trade and other receivables	195,883	4,104,115	66,364
Available for sale financial assets	2,160,805	7,561,832	4,646,136
Other financial assets	628,954	5,281,814	2,663,378
Taxation	3,692	46,506	36,650
Other current assets	2,672	2,672	2,672
Cash and cash equivalents	74,539	514,195	188,033
Restricted cash	200,000	–	250,000
	3,266,545	18,164,740	7,853,233
Assets in disposal groups classified as held for sale	–	–	2,224,617
	3,266,545	**18,164,740**	**10,077,850**
Total assets	**7,350,965**	**19,378,103**	**14,140,840**
Non-current liabilities			
Interest bearing borrowings	–	1,328,172	982,330
Other creditors	–	37,245	–
Total non-current liabilities	**–**	**1,365,417**	**982,330**
Current liabilities			
Trade and other payables	447,359	2,028,521	463,357
Current taxation	–	19,085	–
Interest bearing borrowings	1,101,831	798,839	651,001
Provision for costs	–	2,977	–
	1,549,190	2,849,422	1,114,358
Liabilities directly associated with assets in disposal groups classified as held for sale	–	–	1,820,025
	1,549,190	**2,849,422**	**2,934,383**
Total liabilities	**1,549,190**	**4,214,839**	**3,916,713**
Net assets	**5,801,775**	**15,163,264**	**10,224,127**
Equity attributable to owners of the parent			
Share capital	8,290,795	7,908,725	8,104,909
Share premium	39,249,014	37,763,548	38,894,900
Exchange reserve	4,357	159,221	148,415
Other reserves	473,733	622,847	473,733
Retained losses	(42,216,124)	(31,291,077)	(37,436,291)
	5,801,775	15,163,264	10,185,666
Non controlling interests	–	–	38,461
Total equity	**5,801,775**	**15,163,264**	**10,224,127**

Consolidated statement of changes in equity

For the six months ended 31March 2013

	Share capital	Share premium	Exchange reserves	Other reserves	Retained reserves	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
At 1 October 2011	**7,738,267**	**36,111,908**	**205,118**	**669,667**	**(31,499,830)**	**93,166**	**13,318,296**
Loss for the period	–	–	–	–	(854,303)	(105,021)	(959,324)
Available for sale financial assets fair value movements	–	–	–	–	1,063,056	–	1,063,056
Exchange differences on translating foreign operations	–	–	(45,897)	–	–	11,855	(34,042)
Total comprehensive (loss)/income	–	–	(45,897)	–	208,753	(93,166)	69,690
Conversion of loan notes	–	46,820	–	(46,820)	–	–	–
Issue of shares	170,458	1,604,820	–	–	–	–	1,775,278
At 31 March 2012	**7,908,725**	**37,763,548**	**159,221**	**622,847**	**(31,291,077)**	**–**	**15,163,264**
Comprehensive income							
Profit/(loss) for the period	–	–	–	–	(3,348,318)	48,528	(3,299,790)
Available for sale financial assets fair value movements	–	–	–	–	(2,915,696)	–	(2,915,696)
Exchange differences on translating foreign operations	–	–	(10,806)	1,507	–	(10,067)	(19,366)
Total comprehensive (loss)/income	–	–	(10,806)	1,507	(6,264,014)	38,461	(6,234,852)
Conversion of loan notes	94,047	964,167	–	(31,821)	–	–	1,026,393
Share options lapsed	–	–	–	(118,800)	118,800	–	–
Issue of shares	102,137	167,185	–	–	–	–	269,322
At 30 September 2012	**8,104,909**	**38,894,900**	**148,415**	**473,733**	**(37,436,291)**	38,461	**10,224,127**
Comprehensive income							
Profit/(loss) for the period	–	–	–	–	(2,467,195)	(9,225)	(2,476,420)
Available for sale financial assets fair value movements	–	–	–	–	(2,341,874)	–	(2,341,874)
Exchange differences on translating foreign operations			(8,540)				(8,540)
Reclassification of exchange differences on disposal of subsidiary	–	–	(135,518)	–	–	–	(135,518)
Disposal of subsidiary					29,236	(29,236)	–
Total comprehensive income/(loss)	–	–	(144,058)	–	(4,779,833)	(38,461)	(4,962,352)
Issue of shares	185,886	354,114	–	–	–	–	540,000
At 31 March 2013	**8,290,795**	**39,249,014**	**4,357**	**473,733**	**(42,216,124)**	–	**5,801,775**

Consolidated cash flow statement

For the six months ended 31 March 2013

	Six months ended 31 March 2013 £	Six months ended 31 March 2012 £	Year ended 30 September 2012 £
Operating activities			
Net cash flow used in operations	**(132,201)**	**(771,136)**	**(866,434)**
Investing activities			
Purchase of property plant and equipment	–	(64,399)	(108,621)
Investment in other ventures	(25,905)	(106,473)	(464,984)
Loan to former subsidiary	–	–	(107,124)
Repayment from former subsidiary	–	273,960	273,960
Other loans	–	(33,804)	–
Net cash outflow from sale of subsidiary	(226,491)	–	–
Proceeds from sale of available for sale assets	109,408	45,736	45,736
Interest received	23	1,316	2,406
Net cash generated / (used) in investing activities	(142,965)	**116,336**	**(358,627)**
Financing activities			
Proceeds from issue of share capital	540,000	1,124,593	2,044,600
Transfer into restricted cash	–	–	(250,000)
Proceeds from sale of convertible loan notes		–	480,426
Repayment of convertible loan notes	(240,581)	(363,692)	(763,763)
Finance costs on fundraising	(316,338)	(158,219)	(153,674)
Repayment of finance lease creditors	–	(1,299)	(5,069)
Finance lease	–	43,822	76,356
Interest paid on convertible loan notes	(46,947)	(64,696)	(157,783)
Interest paid – other	–	(52,173)	(97,666)
Increase in amounts due to a director	–	–	24,166
Net cash from financing activities	(63,866)	**528,336**	**1,197,593**
Net change in cash and cash equivalents	**(339,032)**	**(126,464)**	**(27,468)**
Cash and cash equivalents at beginning of the period	479,397	593,642	593,642
Effect of change in exchange rates	(65,826)	47,017	(86,777)
Cash and cash equivalents at end of the period	**74,539**	**514,195**	**479,397**

Notes to the condensed interim financial statements

For the six months ended 31 March 2013

1. Basis of preparation

The condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries (the "Group") made up to 31 March 2013. The results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. as adopted by the European Union and implemented in the UK. They 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 2012. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 September 2012. The comparative statements for the period to 31 March 2012 have been restated where necessary to be consistent with the classifications adopted in the last annual financial statements. In accordance with paragraph 48 of IAS 21, cumulative exchange differences amounting to £135,518 (profit) relating to the subsidiary disposed of during the period have been reclassified from equity to profit or loss.

The accounting policies have been applied consistently throughout the Group for the purpose of preparation of these consolidated interim 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 2013 and 31 March 2012 is unaudited. The comparative figures for the period ended 30 September 2012 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. The auditor's report for the year ended 30 September 2012 included an emphasis of matter paragraph relating to uncertainty as to the Company's and the Group's ability to recover an amount due from a former subsidiary, Mercator Gold Australia Pty Ltd ("MGA") (see note 2).

2. Amount owed by a former subsidiary

The amount of £3,396,858 due from MGA is the best estimate of the directors of the Company (the "Directors")as to the amount recoverable and is stated after an impairment provision made in previous years of £31,849,884 and in the context of the following.

MGA is currently subject to a Deed of Company Administration (DOCA) and has no tangible assets. Control of MGA will not pass back to the Group until the DOCA has been fully effectuated and the creditors of MGA have been dealt with completely by the deed administrators. Although the Company remains MGA's sole shareholder, MGA will be referred to as a former subsidiary until control has been regained.

It is estimated that the full amount of tax losses accumulated by MGA currently totals approximately A$77,000,000. Advice to date indicates that these tax losses are available for use against future profits of MGA subject to certain conditions. The success of work completed to date to confirm the tax losses leads the Directors to believe that in due course a business project with the capacity to generate surplus funds in MGA that would enable it to repay the amount due to the Company and the Group will be identified.

To recover the amount due from MGA, the Company and the Group are dependent on MGA being able to generate sufficient surplus funds from future projects. The amount that may ultimately be receivable by the Company and the Group may be more or less than that shown above and this balance represents management's best estimate of the amount that will be recoverable. The interim financial statements do not include the adjustments that would result if MGA were to be unable to generate sufficient surplus funds to settle the amount due to the Company and the Group.

3. 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 interim financial statements

4. Disposal during the period and discontinued operations

The Company's management decided in September 2012 to sell the Company's shareholding in Gold Crest Holdings Ltd ("Gold Crest"). The disposal was completed on 8 February 2013. The results of Gold Crest have been presented as discontinued operations and the results for the six months ended 31 March 2012 have been restated accordingly.

Provision was made in the financial statements for the year ended 30 September 2012 to write down the net investment in Gold Crest to its estimated net realisable value. The profit from discontinued operations in the six month period ended 31 March 2013 arises primarily as a result of the recognition of foreign currency exchange gains previously included in other comprehensive income being recognised within profit or loss for the period as required under IAS 21.

	Period from 1 October 2012 to 8 February 2013	Six months ended 31 March 2012	Year ended 30 September 2012
	£	£	£
Revenue	1,385,846	2,310,439	5,447,533
Cost of sales	(944,249)	(1,961,575)	(4,098,138)
Administrative expenses	(438,320)	(745,642)	(1,283,489)
Profit/(loss) on ordinary activities before finance costs and tax	3,277	(396,778)	65,906
Finance income	–	1,281	–
Finance expense	(34,027)	(70,493)	(115,526)
Income tax	–	–	(107,137)
Loss after tax of discontinued operations	(30,750)	(465,990)	(156,757)
Loss recognised on re-measurement of assets of disposal group	–	–	(25,313)
Gain on sale of assets of disposal group	66,272	–	–
Reclassification of cumulative exchange differences	135,518	–	–
	171,040	(465,990)	(182,070)
Profit/(loss) from a discontinued operation attributable to:			
Owners of the Parent Company	180,265	(360,969)	(125,577)
Non-controlling interest	(9,225)	(105,021)	(56,493)
	171,040	(465,990)	(182,070)

Gold Crest contributed the following to the Group's net operating cash flows:

	Six months ended 31 March 2013	Six months ended 31 March 2012	Year ended 30 September 2012
	£	£	£
Operating cash flows	(18,231)	97,212	(23,612)
Investing cash flows	(273,133)	(63,118)	(105,313)
Financing cash flows	–	(9,651)	(2,213)
Total cash flows	(291,364)	24,443	(131,138)

5. 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.

6. Profit/(loss) per share

	Six months ended 31 March 2013	Six months ended 31 March 2012	Year ended 30 September 2012
Weighted number of shares in issue during the year	**1,001,144,046**	**673,099,117**	**717,266,255**

	£	£	£
(Loss) from continuing operations attributable to owners of the parent	(2,647,459)	(493,334)	(4,077,044)
Profit/(Loss) from discontinued operations attributable to owners of the parent	171,040	(360,969)	(125,577)
(Loss) from continuing and discontinued operations attributable to owners of the parent	(2,476,419)	(854,303)	(4,202,621)

There is no dilutive effect of share options on the profit for the current period.

7. Interest bearing liabilities

	31 March 2013	31 March 2012	30 September 2012
	£	£	£
Convertible loan notes	800,191	1,817,210	1,127,830
YA Global Master SPV Ltd loan - secured	301,640	–	492,243
Equity Swap	–	–	13,258
Short term bank loan	–	309,801	–
	1,101,831	**2,127,011**	**1,633,331**

Convertible loan notes repayable 17 October 2013
On 17 October 2007 the Company issued £2,565,000 in face value of three-year convertible loan notes carrying interest at 8.5% per annum, payable quarterly in arrears. As of the first anniversary of issue, the loan notes are convertible at the election of note holders into shares at a specified price.

Note holders have the option of accepting the payment of interest in cash or in Ordinary Shares at the lower of a specified price and the average mid-market closing price per ordinary share for the seven business days prior to the date that interest is payable.

The Company has the right (as of the date falling 18 months after the date of issue of the loan notes) to repay the notes early, subject to the payment of double the accrued interest outstanding as at the date of early repayment. The holder of the notes has the option of accepting early repayment in cash or in Ordinary Shares at a specified price.

On 29 September 2010 the loan notes were extended for a further three years and the rate of interest was increased to 10% per annum by extraordinary resolution of the holders. The loan notes are now repayable on 17 October 2013.

Until the second anniversary of issue the specified price in respect of the above was 95p per share; between the second anniversary and 29 September 2010 the specified price was 120p per share; as of 29 September 2010 the specified price was 1.1p per share.

Secured loan
The YA Global Master SPV Ltd loan is secured by way of a pledge of listed securities.

Equity swaps
On 16 August 2012 the Company entered into funding arrangements with YA Global Master SPV Ltd ("YAGM") whereby 75,757,575 Ordinary Shares in the Company were subscribed for at a price of 0.66p per share for a total cash consideration of £500,000. Separately, YAGM and the Company have entered into an equity swap agreement (the "August Equity Swap") over a notional 75,757,575 shares in the Company.

On 18 February 2013, pursuant to a modified advance under ECR's Standby Equity Distribution Agreement ("SEDA") with YAGM, YAGM subscribed for 61,224,489 Ordinary Shares at a price of 0.245p per share for a total cash consideration of £150,000. Separately, YAGM and the Company entered into a further equity swap (the "February Equity Swap") over a notional 61,224,486 shares in the Company.

Under the terms of the August Equity Swap upon each of 12 monthly settlement dates the prevailing market price of the Company's shares, discounted by 10%, will be compared to a benchmark price ("Benchmark Price") of 0.66p per share. Under the terms of the February Equity Swap upon each of 6 monthly settlement dates the prevailing market price of the Company's shares, discounted by 10%, will be compared to a Benchmark Price of 0.245p per share.

If the discounted market price exceeds the Benchmark Price then a sum is payable to the Company by YAGM, and if the discounted market price is less than the Benchmark Price then a sum is payable to YAGM by the Company, depending in each case on the amount by which the discounted market price exceeds or falls short of the Benchmark Price. It is not possible to calculate the liability or receivable that may arise as it is dependent on any movement in the price of the Company's Ordinary Shares. However, on the last business day prior to 31 March 2013 the closing mid-price on AIM of the Company's Ordinary Shares was 0.15p which, if it did not fluctuate, would result in payments to YAGM totalling £193,181 under the August Equity Swap and £58,163 under the February Equity Swap. The closing mid-price on AIM of the Company's Ordinary Shares on 27 June 2013 was 0.0975p.

Commitment fees payable by the Company under the August Equity Swap comprise in aggregate, £50,000 of which £25,000 was paid on execution of the agreement and the remaining £25,000 was settled by way of an issue of 10,204,081 Ordinary Shares at a price of 0.245p per share approximately 6 months from the date of the agreement. No commitment fee was payable by the Company under the February Equity Swap.

The Company has given YAGM customary warranties and indemnities in respect of both Equity Swaps. YAGM has agreed that it and its affiliates will refrain from holding any net short position with respect to the Ordinary Shares of the Company. YAGM may elect to terminate either or both of the Equity Swaps and accelerate the payments due thereunder in certain circumstances.

8. Deferred tax

No deferred tax liability arises on the fair value movements on the available for sale investments as any gain/loss on disposal will be exempt from tax.

9. Other investments

Paniai shares
Although ECR retains a minority shareholding in Paniai Gold Ltd ("Paniai") the likelihood of the Company being able to realise any substantial benefit from this interest has diminished, due to the expiry of Paniai's West Wits Mining Ltd ("West Wits") performance shares (July 2013) and its option to purchase a 30% direct interest in the initial alluvial mining operation planned by West Wits (February 2014) drawing nearer. Accordingly, the carrying value of ECR's shareholding in Paniai was impaired in the financial statements for the year ended 30 September 2012 to a nominal £1. The impairment charge was included in administrative expenses and shown in the income statement as impairment of and loss on disposal of other investments.

THEMAC warrants
Losses in the fair values of the warrants have been recorded as a loss on revaluation of investments in the income statement. The fair value of the warrants is calculated using the Black-Scholes-Merton model with reference to the share price of THEMAC, which is listed on the TSX Venture Exchange, at the balance sheet date.

10. Related party transactions

The Directors are the only key management.

Details of transactions with Directors and other related parties during the period are as follows:

Michael Silver, formerly Executive Chairman of the Company, held a beneficial interest in Meridien Capital Limited ("Meridien"). At February 8 2013, Meridien held a beneficial interest in 10% of the issued equity share capital of Gold Crest.

Michael Silver provided a loan to Gold Crest in respect of which interest was charged at 2% per month on the balance outstanding. The loan amount outstanding on 8 February 2013 was US$ 426,713. The loan was repayable on demand and was secured by a floating charge over the trade receivables of Gold Crest plus a guarantee from ACS Asia.

11. Share issues during the period

On 30 October 2012 the Company announced the issue and allotment of a total of 28,910,507 Ordinary Shares at a price of 0.346p per share in connection with an advance of £100,000 under the Company's SEDA.

On 23 November 2012 the Company announced the issue and allotment of a total of 47,702,099 Ordinary Shares at a price of 0.33542p per share in connection with an advance of £160,000 under the Company's SEDA.

On 28 December 2012 the Company announced the issue and allotment of a total of 27,017,899 Ordinary Shares at a price of 0.2961p per share in connection with an advance of £80,000 under the Company's SEDA.

On 18 February 2013 the Company announced the issue and allotment of a total of 82,255,767 Ordinary Shares as follows: 61,224,486 Ordinary Shares at a price of 0.245p per share pursuant to a modified advance of £150,000 under the Company's SEDA; 10,827,197 Ordinary Shares at a price of 0.2309p per share in connection with a separate advance of £25,000 under the Company's SEDA; 10,204,081 Ordinary Shares at 0.245p per share in settlement of £25,000 in fees due to YAGM in connection with the August Equity Swap.

12. Cash flow statement

	Six months ended 31 March 2013 £	Six months ended 31 March 2012 £	Year ended 30 September 2012 £
Operating activities			
Profit/(loss) for the period, before tax	**(2,684,876)**	**(959,324)**	**(4,123,268)**
Adjustments:			
Depreciation expense, property, plant and equipment	1,354	40,884	62,116
Loss on disposal of property, plant and equipment	33,899	–	648
Provision and impairment of investment and loans	–	287,764	393,792
Interest income	(23)	(24,317)	(5,370)
Gain on derivative	–	–	4,258
Gain/(loss) on revaluation of investments	2,034,424	(963,450)	1,614,327
Issue costs amortised – convertible loan notes	2,572	4,287	8,809
Interest cost imputed on unwinding loan discount	–	63,982	–
Interest paid on convertible loan	124,955	326,430	475,721
Interest expense - other	158,458	–	115,526
Impairment loss on inventories	–	24,670	–
Provision for doubtful debt	–	98,536	283,463
Decrease in other non current assets	–	5,821	–
(Increase)/decrease in accounts receivable	153,223	532,453	(325,927)
Increase/(decrease) in accounts payable	43,813	(362,837)	9,707
Decrease in inventories	–	72,803	225,844
Overseas tax paid	–	(41,046)	–
Exploration costs written off	–	122,208	393,920
Net cash flow used in operations	**(132,201)**	**(771,136)**	**(866,434)**

Disposal of subsidiary

The disposal of Gold Crest was settled by a payment of £46,642 in cash and the cancellation of £325,000 of convertible loan notes issued by the Company.

The net cash impact of the disposal was:

	£
Cash received as above	46,642
Cash and cash equivalent of subsidiary on disposal	(273,133)

Net cash outflow	(226,491)

13. Post period end events

On 5 April 2013 the Company announced the issue and allotment of 14,644,351 Ordinary Shares at a price of 0.1434p each in connection with an advance of £21,000 under the Company's SEDA.

On 29 April 2013 the Company announced the issue and allotment of 8,000,000 Ordinary Shares at a price of 0.12p each in respect of an advance of £9,600 under the Company's.

On 29 April 2013 the Company announced it had secured the exclusive right and option to earn a 50% interest in the Itogon gold-silver project in the Philippines.

On 22 May 2013 the Company announced the placing of 400,000,000 Ordinary Shares at a price of 0.1p each to raise £400,000 before expenses. Additionally, the Company announced the issue of 157,473,000 new Ordinary Shares to creditors to settle certain existing and future obligations of the Company totalling £157,473, and a total of 46,663,200 Ordinary Shares to the Directors at a price of 0.1p each in lieu of unpaid fees totalling £46,663.20.

On 12 June 2013, the Company announced the placing of 450,000,000 Ordinary Shares at a price of 0.1p each to raise £450,000 before expenses.

Additional disclosures are made in the Chief Executive Officer's report.