

**Orogen Gold plc (formerly Medavinci plc)**

**Interim Report 2011**

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### **Interim Highlights**

- Change of business to new European gold exploration company
- Orogen Gold plc - new name
- Orogen Gold Limited acquired
- AIM re-admission, new ticker "ORE.L"
- New board and management
- Deli Jovan gold project in Serbia exploration programme underway
- Deli Jovan gold project - 75% earn-in potential

### **Contents**

	Page
Interim Highlights	1
Chairman's and Chief Executive's report	2
Group statement of comprehensive income	5
Group statement of financial position	6
Group cash flow statement	7
Group statement of changes in equity	8
Notes to the interim results	9
Company information	14

## **Orogen Gold plc (formerly Medavinci plc)**

### **Chairman's and Chief Executive's report**

We are pleased to present our first Interim Report since the re-launch of the Company on 4<sup>th</sup> March 2011, as Orogen Gold plc, re-admission to trading on AIM and the commencement of exploration activity with our first project in Serbia – the Deli Jovan gold project.

As part of our re-launch, Alan Mooney was appointed Finance Director in March replacing Paul Foulger, who stepped down from the Board and now continues as Company Secretary. In terms of our non-executive directors, Adam Reynolds stepped down as Chairman in March but remains on the board as a non executive director, Glyn Hirsh and Michael Hough stepped down from the board in March as envisaged when the acquisition of Orogen Gold Limited was completed and Michael Nolan who was appointed to the board in September 2010 continues as non executive director.

We have built a solid, constructive and positive relationship with the former Board of the Company and this is continuing. We now have a strong team in place, experienced in the mineral resource exploration business. The handover of responsibilities to the new management has been fully achieved and worked through in a positive manner that is supportive to the development of the new business.

#### **Earn-in with Reservoir Capital**

Orogen Gold has an option to earn into 55% of the Deli Jovan gold project in Serbia from Canadian Listed (TSXV) Reservoir Capital Corporation by financing CAD (Canadian Dollars)1.5 million exploration expenditures on the project. The Company can, by financing an additional CAD2 million exploration expenditure on the project, earn a further 20%, to bring the Group's total interest in Deli Jovan to 75%.

#### **Work Programme**

We have made good progress on Deli Jovan so far this year. Deli Jovan comprises a number of narrow, gold bearing quartz veins along an 8-10km shear zone containing bonanza grade zones which were mined intermittently prior to World War II. In order to gain access to the historic mines for mapping and sampling purposes a landowner access agreement was signed over the site of the Rusman mine and land was purchased over the Ginduša mine area. A contract was drawn up with an experienced Serbian underground mining contractor for the reopening of two of the old mine shafts. Shaft clearance work at Rusman is now down close to the first level at 30m depth. Water sampling and permitting are in progress prior to commencement of pumping to clear water from the first level. At the Ginduša mine, initial site preparation has commenced and the re-opening operation will continue over the coming weeks.

In addition to the re-opening work, a detailed soil geochemical sampling programme was completed over a strike length of about 5km along the main Deli Jovan shear zone between the Rusman and Ginduša mining centres. The programme is designed to identify additional hidden gold targets along the trend. The samples have been dispatched for analysis to the ALS Chemex analytical laboratory in Romania. Results will be reported in early September. Three surface trenches were also excavated over the Rusman vein structure to obtain information on the nature of the mineralisation at Deli Jovan. Mapping and sampling of the trenches was completed. Analytical results from chip/channel sampling show that the sheared and oxidised gabbro wall rock to the main vein contains low-order gold mineralisation which might be of economic interest at Rusman and Ginduša.

## **Orogen Gold plc (formerly Medavinci plc)**

### **Chairman's and Chief Executive's report**

#### **Anticipated Developments**

The objective of the Orogen exploration programme is to demonstrate an initial 100,000 oz inferred gold resource at Deli Jovan which is envisaged to be sufficient to underpin two to three years of mine production. Once this is demonstrated our target will be to identify the potential for total gold resources in excess of 500,000 ozs. While there are several unknowns in re-entering the historic Deli Jovan mines and exploring the 10km mineralised belt, the schedule currently envisaged is:

#### **Phase 1a (Staged programme to approximately March 2012)**

- completion of the re-opening of access to the Rusman and Ginduša mines
- underground structural mapping and dense systematic sampling to characterize 3-D grade distribution and identify high grade shoots
- follow-up of new targets generated by the regional programme
- periodic news releases as new data become available, including underground sampling results – first results expected about November 2011

#### **Phase 1b (to approximately December 2012):**

- 300m of new underground drive development and detailed channel sampling to confirm lateral continuity mineralisation
- 7,500m diamond drilling from surface to confirm further lateral and depth continuity on mineralised structures – planned for Spring 2012
- 55% project earn-in achieved

#### **Phase 2 (to approximately December 2013):**

- 12,500m diamond drilling from surface to confirm further lateral and depth continuity on mineralised structures and delineate maiden inferred resource
- 75% project earn-in achieved
- Decision on proceeding to scoping study for 30,000 to 50,000 oz/year gold mine

Within the main project phases outlined above there will be a number of project milestones and an ongoing series of results to report to shareholders.

#### **Growth of the Business**

As well as our Deli Jovan project we are seeking opportunities to introduce a new project or projects to the Company. We have negotiated options and conducted preliminary site visits in June to two Central Asian gold projects but neither passed our rigorous technical and financial due diligence. With the current high gold price, junior gold explorers are attracting greater investor focus which we expect will lead to a favourable realignment between gold equities and the surging price of bullion. We are seeking undervalued early-stage gold projects which have previously lacked management focus and an appropriate exploration programme and which have the technical merit to give us a high probability of a successful commercial discovery.

## **Orogen Gold plc (formerly Medavinci plc)**

### **Chairman's and Chief Executive's report**

With any new venture we are conscious of the need to quickly advance Deli Jovan and deliver value to the Company shareholders. With frequent news flow expected from this project over the coming months, we intend to continue to seek out strong new gold projects, which can add value to the Company.

It is our aim to build Orogen Gold into a substantial gold exploration and production business over the next three to four years.

#### **Corporate**

We would like to thank our shareholders and advisors for their support and encouragement which was essential in completing the transformation of the business. We are also most grateful to the former directors and those continuing with the Company for their hard work and commitment and support in transforming the old Medavinci plc into the new and exciting gold exploration company, that Orogen Gold plc has become.

In 2010 the reporting year end was changed to 31 December (previously 31 March). Since the Company is now involved in a totally new business it is not really meaningful to compare the financial data for the first six months of the year 2011 with those of 2010. Therefore in the financial statements presented in this interim report for comparative / information purposes we have included the audited results for the 9 months period ended 31 December 2010 and balance sheet information at 31 December 2010.

The loss for the six months to 30 June 2011 amounted to £ 554,000. At 30 June 2011 the Group held cash resources of £ 1.448 million. We have already expended £ 200,000 (CAD 315,000) on the Deli Jovan project and a further expenditure commitment of £ 740,000 (CAD1,185,000) will be necessary by June 2012 to complete the Phase 1 earn-in to 55% of the project. On this basis we have sufficient cash resources to fund the Phase 1 earn-in to Deli Jovan, however any expansion in the business will require additional resources.

John Barry  
Chairman

Ed Slowey  
Chief Executive

15<sup>th</sup> August 2011

Orogen Gold plc (formerly Medavinci plc)

Group statement of comprehensive income  
for the six months ended 30 June 2011

	Notes	Unaudited 6 months to 30 June 2011 £'000	Audited 9 months to 31 December 2010 £'000
<b>Operating expenses</b>			
- Recurring administrative expenses		(213)	(128)
- Share based payments		(215)	(5)
- AIM re-admission costs		(129)	-
- Investment acquisition costs		-	(202)
- Impairment of investments in subsidiaries & associates		-	(100)
Administrative expenses		(557)	(435)
Group operating loss	3	(557)	(435)
Interest received		3	-
Loss on ordinary activities before taxation		(554)	(435)
Tax on loss on ordinary activities	4	-	-
<b>Total comprehensive income for the period</b>		<b>(554)</b>	<b>(435)</b>
Loss per share - basic and diluted	5	Pence (0.04)	Pence (0.06)

Orogen Gold plc (formerly Medavinci plc)

Group statement of financial position  
as at 30 June 2011

	Notes	Unaudited 30 June 2011 £'000	Audited 31 December 2010 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	7	400	570
Goodwill	8	3,158	-
<b>Total non-current assets</b>		<b>3,558</b>	<b>570</b>
<b>Current assets</b>			
Trade and other receivables	9	14	246
Cash and cash equivalents	10	1,448	1,546
<b>Total current assets</b>		<b>1,462</b>	<b>1,792</b>
<b>Total assets</b>		<b>5,020</b>	<b>2,362</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the company</b>			
Share capital	11	2,336	2,016
Share premium	11	9,382	6,714
Share based payments reserve		215	-
Retained losses		(7,061)	(6,507)
<b>Total equity</b>		<b>4,872</b>	<b>2,223</b>
<b>Current liabilities</b>			
Trade and other payables		148	139
<b>Total current liabilities</b>		<b>148</b>	<b>139</b>
<b>Total equity and liabilities</b>		<b>5,020</b>	<b>2,362</b>

Orogen Gold plc (formerly Medavinci plc)

Group cash flow statement  
for the six months ended 30 June 2011

	Notes	Unaudited 6 months to 30 June 2011 £'000	Audited 9 months to 31 December 2010 £'000
<b>Cash flows from operating activities</b>			
Group operating loss	3	(557)	(435)
(Increase)/decrease in trade and other receivables		232	(246)
Increase/(decrease) in trade and other payables		9	65
Impairment loss on investments		-	100
Share based expense		215	5
<b>Net cash flow from operating activities</b>		<b>(101)</b>	<b>(511)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire investment in joint venture	7	(200)	-
Net cash inflow on acquisition of subsidiary		200	-
Net cash outflow on acquisition of associate		-	(370)
Interest received		3	-
<b>Net cash flow from investing activities</b>		<b>3</b>	<b>(370)</b>
<b>Cash flow from financing activities</b>			
Net proceeds from issue of equity instruments		-	2,267
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>2,267</b>
<b>Net change in cash and cash equivalents</b>		<b>(98)</b>	<b>1,386</b>
Cash and cash equivalents at beginning of period	10	1,546	160
<b>Cash and cash equivalents at end of period</b>	<b>10</b>	<b>1,448</b>	<b>1,546</b>

Orogen Gold plc (formerly Medavinci plc)

Group statement of changes in equity

	Notes	Share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained losses £'000	Total equity £'000
<b>Balance at 1 April 2010</b>		1,158	5,305	-	(6,077)	386
<b>Changes in period 1 April 2010 to 31 December 2010</b>						-
Total comprehensive income for the period		-	-	-	(435)	(435)
Issue of share capital	11	858	1,609	-	-	2,467
Share issue costs	11	-	(200)	-	-	(200)
Share based expense	11	-	-	-	5	5
<b>Balance at 31 December 2010</b>		<b>2,016</b>	<b>6,714</b>	<b>-</b>	<b>(6,507)</b>	<b>2,223</b>
<b>Changes in period 1 January 2011 to 30 June 2011</b>						
Total comprehensive income for the period		-	-	-	(554)	(554)
Issue of share capital	11	320	2,699	-	-	3,019
Share issue costs	11	-	(31)	-	-	(31)
Share based expense	11	-	-	215	-	215
<b>Balance at 30 June 2011</b>		<b>2,336</b>	<b>9,382</b>	<b>215</b>	<b>(7,061)</b>	<b>4,872</b>

## Orogen Gold plc (formerly Medavinci plc)

### Notes to the interim results

#### 1 General information

Orogen Gold plc is a company incorporated and domiciled in the UK. Details of the registered office, the officers and advisers to the Company are presented on the Company information page at the end of this report. The Company's offices are in London and Dublin. The Company is listed on the AIM market of the London Stock Exchange (ticker: ORE.L).

The principal activity of the Company is gold and mineral exploration and production in Europe. In prior years the Company was focused on investment in health and wellness based companies.

#### 2 Basis of preparation

The financial information for the six months ended 30 June 2011 presented in this Interim Report is unaudited. Comparative audited information for the 9 months period ended 31 December 2010 is presented in the report. During 2010 the Company changed its reporting year to coincide with the calendar year (previously the reporting year ended 31 March).

The Interim Report has been prepared using the same accounting policies as were applied in the Group's audited financial statements to 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Directors consider that the financial information presented in this Interim Report represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS. The Interim Report for the six months ended 30 June 2011 was approved by the directors on 4 July 2011.

Comparative information for the 6 months to 30 June 2010 has not been presented in this Interim Report since the business of the Company in that period related to the prior years' activities of the business. The audited information for the 9 months ended 31 December 2010 is presented for comparative information purposes in the Interim Report. It should be noted that this prior year's information is not related to the new activities of the Company.

The financial information presented for the period ended 31 December 2010 is an extraction from the Group's audited accounts on which the auditors issued an unqualified report, the information presented does not constitute full accounts for that period.

#### 3 Group operating loss

	<b>Unaudited 6 months to 30 June 2011 £'000</b>	<b>Audited 9 months to 31 December 2010 £'000</b>
<b>Operating loss for the year is stated after charging / (crediting)</b>		
AIM re-admission costs	129	-
Directors' emoluments	79	21
Directors' share based payments expense - see note 11	215	-
Services provided by the company's auditors		
- Audit fees and expenses - statutory audit	8	9
- Tax compliance	2	1
Impairment of investments	-	100

Notes to the interim results

**4 Tax on loss on ordinary activities**

No tax charge has been included for the six month period to 30 June 2011 (nor for the 9 month period to 31 December 2010) and no taxable profits are expected for the full year to 31 December 2011.

**5 Loss per share - basic and diluted**

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	<b>Unaudited 6 months to 30 June 2011</b>	<b>Audited 9 months to 31 December 2010</b>
Loss after tax attributable to equity holders of the parent in £'000	(554)	(435)
Weighted average number of ordinary shares in issue	1,561,984	746,987
Fully diluted average number of ordinary shares in issue	1,746,916	746,987
<b>Basic and diluted loss per share (pence)</b>	<b>(0.04)</b>	<b>(0.06)</b>

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation.

**6 Dividends**

No dividends were paid or proposed for the six months ended 30 June 2011 (9 months to 31 December 2010 Nil).

**7 Investments**

	<b>Unaudited 30 June 2011 £'000</b>	<b>Audited 31 December 2010 £'000</b>
Reservoir Exploration (BVI) Ltd - Loan	200	-
Investment in Orogen Gold Limited	-	370
Emotion Fitness Mag Kft - cost to Group	339	339
Emotion Fitness Mag Kft - impairment	(139)	(139)
	<b>400</b>	<b>570</b>

*Reservoir Exploration (BVI) Ltd - Loan*

The loan to Reservoir Exploration (BVI) Ltd. relates to payments totalling CAD 315,000 made to fund Phase I exploration expenditures on the Deli Jovan gold project in Serbia. The payments are made under the terms of a joint venture earn-in agreement with Reservoir Capital Corp. whereby the Group can earn a 55% interest in Deli Jovan by committing a total of CAD1.5 million by June 2012 to the Deli Jovan project.

## Orogen Gold plc (formerly Medavinci plc)

### Notes to the interim results

The loan to Reservoir Exploration (BVI) Ltd. is to be applied to acquire a 55% interest in Deli Jovan d.o.o, the Serbian company operating the Deli Jovan project, once the Phase I CAD1.5 million earn-in has completed. The loan is non refundable.

Orogen has the right to earn-in to a further 20%, for a total of 75%, of the Deli Jovan project by committing a further CAD2.0 million to exploration of the project by December 2013.

#### *Investment in Orogen Gold Limited*

The investment in Orogen Gold Limited at 31 December 2010 represents the cost of 49% interest in that company. The remaining 51% of Orogen Gold Limited was acquired in March 2011 and the cost of the initial 49% investment was transferred to the cost of investments in subsidiaries in the Company which has been eliminated on consolidation of the Group's financial statements.

#### *Emotion Fitness Mag Kft*

The Group's investment in Emotion Fitness Mag Kft represents a 49% interest in that company which runs a fitness centre in Hungary. An impairment of £139,000 has been made against the cost of this investment in prior years.

## 8 Goodwill

	<b>Unaudited</b> <b>30 June 2011</b> £'000	<b>Audited</b> <b>31 December</b> <b>2010</b> £'000
Cost of initial investment of 49% interest in Orogen Gold Limited	370	-
Acquisition of 51% of Orogen Gold Limited by issue of 315,351,636 ordinary shares at market price £0.009513 being the share price of Medavinci plc (now Orogen Gold plc) at date of acquisition.	3,000	-
	<u>3,370</u>	<u>-</u>
Less net book value of Orogen Gold Limited	212	-
	<u>3,158</u>	<u>-</u>

## 9 Trade and other receivables

	<b>Unaudited</b> <b>30 June 2011</b> £'000	<b>Audited</b> <b>31 December</b> <b>2010</b> £'000
Other receivables	17	246
Trade and other receivables	17	246

The directors consider that the carrying amount of other receivables approximates their fair value.

## Orogen Gold plc (formerly Medavinci plc)

### Notes to the interim results

#### 10 Cash and cash equivalents

	Unaudited 30 June 2011 £'000	Audited 31 December 2010 £'000
Cash at bank	1,448	1,546

#### 11 Share capital

	Ordinary shares of £0.001 each		Deferred shares of £0.009 each		Share Premium
	Number	Nominal value £'000	Number	Nominal value £'000	£'000
Authorised	5,000,000,000	5,000	73,599,817	662	
<b>Allotted, called up and fully paid</b>					
At 1 April 2010	495,139,817	495	73,599,817	662	5,305
<u>Period 1 April 2010 to 31 December 2010</u>					
Issue of new shares during period	858,521,000	859	-	-	1,609
Share issue costs during period					(200)
At 31 December 2010	1,353,660,817	1,354	73,599,817	662	6,714
<u>Period 1 January 2011 to 30 June 2011</u>					
Issue of new shares during period	320,351,636	320	-	-	2,699
Share issue costs during period					(31)
At 30 June 2011	1,674,012,453	1,674	73,599,817	662	9,382

Issue of share capital - ordinary shares of £0.001 each

On 4 March 2011, 315,351,636 new ordinary shares of £0.001 each were issued as consideration to acquire the remaining 51% of Orogen Gold Limited that the Group did not already own. In addition share options of 240,000,000 ordinary shares in the Company were issued to members of the board under the Company's Share Option Plan. These share options are exercisable at 0.95 pence per share during the period 7 March 2012 to 15 February 2021.

The shares and share options issued in March 2011 were issued in association with a readmission of the Company's shares to the AIM market of the London Stock Exchange.

On 4 December 2010 the Company granted warrants over 5,000,000 ordinary shares of 0.1 pence each in respect of corporate finance activities. The warrants were exercised in March 2011 at the subscription price of 0.4 pence per share.

## Orogen Gold plc (formerly Medavinci plc)

### Notes to the interim results

On 6 September 2010 the Company issued 421,021,000 ordinary shares of 0.1 pence each. The total cash consideration received amounted to £842,000.

On 6 September 2010 the Company issued 62,500,000 ordinary shares of 0.1 pence each. The Company issued these shares to satisfy the purchase price of £370,000 to acquire 49% of Orogen Gold Limited.

Also on 6 September 2010 the Company granted warrants over 5,000,000 ordinary shares of 0.1 pence each in the Company in respect of corporate finance advice. The subscription price is 0.2 pence per ordinary share and the exercise period is five years from the date of grant.

On 3 December 2010 the Company issued 375,000,000 ordinary shares of 0.1 pence each. The total consideration received amounted to £1.5 million.

#### Share based expense

Unexercised warrants and share options existed at the end of the period as set out above. These equity instruments were valued using the Black-Scholes option pricing model.

### 12 Subsequent events

There are no subsequent events to report.

### 13 Copy of Interim Report

Copies of the Interim Report are available to download from the Company's website at [www.oringold.com](http://www.oringold.com).

## Orogen Gold plc (formerly Medavinci plc)

### Company information

Registered and London office	14 Kinnerton Place South London SW1X 8EH
Registered number	5379931 (England & Wales)
Dublin office	18 Fitzwilliam Place Dublin 2
Directors	John Barry - Non-executive Chairman Edward Slowey - Chief Executive Alan Mooney - Finance Director Adam Reynolds - Non-executive Director Michael Nolan - Non-executive Director
Secretary	Paul Foulger
Auditors	Jeffreys Henry LLP Finsgate 5 - 7 Cranwood Street London EC1V 9EE
Bankers	Coutts & Co 440 Strand London EC2R 8LA
Joint broker	Xcap Securities plc 24 Cornhill London EC3V 3ND
Nominated advisor & joint broker	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT
Public Relations	Hansard Communications Limited 14 Kinnerton Place South London SW1X 8EH
Registrars	Capita Registrars Limited The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors	BPE Solicitors LLP St. James' House St. James' Square Cheltenham, GL50 3PR  Mason Hayes+Curran South Bank House, Barrow Street Dublin 4



