



**Orogen Gold plc**

**Interim Report 2016**

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## **Chairman's statement**

The period under review showed slightly improving metal prices with a more favourable sentiment towards natural resource companies. The major mining companies in general showed significant gains whilst junior mining companies with good projects were able to access funds for development, although still limited.

On 27 June 2016 the Company announced the signing of an earn-in agreement over the Silverton gold and silver property in Nevada, USA. This agreement provides exploration rights on a highly prospective gold/silver project, which has good technical history. The Company will commence drilling operations early in the fourth quarter 2016.

Towards the end of July, the Company raised £350,000 in an equity funding which was implemented to enable the final stage of earn-in at the Mutsk property in Armenia. On 31 August 2016 we advised our partners on the project that the US\$2.5 million earn-in had been completed and requested that our 80% interest be registered.

The Company recently announced that our drilling on the Mutsk property had been successful and the "size footprint" of the property had been doubled. The exploration area is open to the north and south and extension possibilities exist to the east.

### **Financial and Corporate Review**

At 30 June 2016 cash stood at £652,000 (31 December 2015: £921,000). The loss for the period amounted to £171,000 (6 months to 30 June 2015: £181,000).

The Group seeks to maintain a low cost structure and actively manages the corporate overhead to reflect our activity levels and the broader difficult funding environment for junior exploration companies.

### **Outlook**

The Company has two large gold projects in two different geological environments on two continents and is well placed to take advantage of the renewed investor interest. Both of our properties exhibit potential to be significant open pit mines and as such we expect to receive corporate interest as they progress.

At Mutsk we are currently modelling all of our results to sharpen our understanding of the nature of the mineralisation and its structural placement. This is a relatively low cost exercise, which will improve our drill targeting in the future. On completion of the modelling we plan to carry out further drilling to extend the limits of the gold deposit and progress on to in-fill drilling to define a resource. With 80% of the Mutsk project now earned, Orogen will be driving the project forward with input from the former Georaid CJSC principles who will continue to assist us with managing logistics and local relations on the ground and have an option to maintain their 20% interest in the project by contributing pro-rata to future work programs. We are conscious to minimise our operational cost base particularly when there is less field activity during the winter period but will use this time productively collating all the information from the drilling to date.

## **Chairman's statement**

At Silverton we intend to carry out a small reconnaissance programme directed towards testing the highly prospective north south shear zone and surrounding areas. The results of this programme should allow us to test the drivers for gold mineralisation as well as testing the potential for a deeper situated gold feeder system.

**ADAM REYNOLDS**

Non-Executive Chairman

27 September 2016

**Consolidated statement of profit or loss and other comprehensive income**  
**For the six months ended 30 June 2016**

	Notes	Unaudited 6 months to 30 June 2016 £'000	Unaudited 6 months to 30 June 2015 £'000	Audited 12 months to 31 December 2015 £'000
General and administrative		(154)	(184)	(356)
Impairment of exploration and evaluation assets	4	(9)	—	(534)
Share based payments		(10)	—	(5)
<b>Group operating loss</b>		<b>(173)</b>	<b>(184)</b>	<b>(895)</b>
Interest received		2	3	5
<b>Loss on ordinary activities before taxation</b>		<b>(171)</b>	<b>(181)</b>	<b>(890)</b>
Tax on loss on ordinary activities		—	—	—
<b>Loss for the year from continuing operations</b>		<b>(171)</b>	<b>(181)</b>	<b>(890)</b>
<b>Attributable to:</b>				
Equity holders of the parent		(171)	(181)	(677)
Non-controlling interests		—	—	(213)
<b>Group loss for the period</b>		<b>(171)</b>	<b>(181)</b>	<b>(890)</b>
Exchange translation differences		—	(1)	(2)
<b>Total comprehensive loss for the period</b>		<b>(171)</b>	<b>(182)</b>	<b>(892)</b>
<b>Attributable to:</b>				
Owners of the parent		(171)	(182)	(679)
Non-controlling interests		—	—	(213)
		<b>(171)</b>	<b>(182)</b>	<b>(892)</b>
<b>Loss per share:</b>				
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (pence)	3	(0.003)	(0.005)	(0.02)

**Consolidated statement of financial position**  
**As at 30 June 2016**

	Notes	Unaudited 30 June 2016 £'000	Unaudited 30 June 2015 £'000	Audited 31 December 2015 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	4	1,670	1,926	1,577
Property, plant and equipment		2	2	2
<b>Total non-current assets</b>		<b>1,672</b>	<b>1,928</b>	<b>1,579</b>
<b>Current assets</b>				
Trade and other receivables		27	27	22
Cash and cash equivalents	5	652	851	921
<b>Total current assets</b>		<b>679</b>	<b>878</b>	<b>943</b>
<b>Total assets</b>		<b>2,351</b>	<b>2,806</b>	<b>2,522</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	6	4,418	4,237	4,418
Share premium		12,181	11,950	12,181
Other reserves		635	621	625
Retained earnings		(14,936)	(14,269)	(14,765)
<b>Equity attributable to owners of the parent</b>		<b>2,298</b>	<b>2,539</b>	<b>2,459</b>
Non-controlling interests		—	210	—
<b>Total equity</b>		<b>2,298</b>	<b>2,749</b>	<b>2,459</b>
<b>Current liabilities</b>				
Trade and other payables		53	57	63
<b>Total current liabilities</b>		<b>53</b>	<b>57</b>	<b>63</b>
<b>Total liabilities</b>		<b>53</b>	<b>57</b>	<b>63</b>
<b>Total equity and liabilities</b>		<b>2,351</b>	<b>2,806</b>	<b>2,522</b>

**Consolidated cash flow statement**  
**For the six months ended 30 June 2016**

	Notes	Unaudited 6 months to 30 June 2016 £'000	Unaudited 6 months to 30 June 2015 £'000	Audited 12 months to 31 December 2015 £'000
<b>Cash flows from operating activities</b>				
<b>Group operating loss</b>		<b>(173)</b>	(184)	(895)
Share based payments		10	—	5
(Increase)/decrease in trade and other receivables		(5)	31	36
Decrease in trade and other payables		(10)	(12)	(4)
Impairment of exploration and evaluation assets	4	9	—	534
<b>Net cash flow from operating activities</b>		<b>(169)</b>	(165)	(324)
<b>Cash flow from investing activities</b>				
Expenditure on exploration and evaluation assets and project earn-ins	4	(102)	(106)	(292)
Interest received		2	3	5
<b>Net cash flow from investing activities</b>		<b>(100)</b>	(103)	(287)
<b>Cash flow from financing activities</b>				
Net proceeds from issue of equity instruments	6	—	—	411
<b>Net cash flow from financing activities</b>		<b>—</b>	—	411
<b>Net change in cash and cash equivalents</b>		<b>(269)</b>	(268)	(200)
Net foreign exchange difference		—	1	3
Cash and cash equivalents at beginning of period	5	921	1,118	1,118
<b>Cash and cash equivalents at end of period</b>	5	<b>652</b>	851	921

**Consolidated statement of changes in equity**  
**For the six months ended 30 June 2016**

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Share to be issued £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
<b>Balance at 1 January 2015</b>	4,222	11,827	592	138	(14,088)	30	<b>2,721</b>	200	<b>2,921</b>
Loss for the period	—	—	—	—	(181)	—	<b>(181)</b>	—	<b>(181)</b>
Issue of share capital	15	123	—	—	—	—	<b>138</b>	—	<b>138</b>
Shares to be issued	—	—	—	(138)	—	—	<b>(138)</b>	—	<b>(138)</b>
Other reserve movements	—	—	—	—	—	—	—	10	<b>10</b>
Foreign exchange translation reserve	—	—	—	—	—	(1)	<b>(1)</b>	—	<b>(1)</b>
<b>Balance at 30 June 2015</b>	4,237	11,950	592	—	(14,269)	29	<b>2,539</b>	210	<b>2,749</b>
<b>Balance at 1 July 2015</b>	4,237	11,950	592	—	(14,269)	29	<b>2,539</b>	210	<b>2,749</b>
Loss for the period	—	—	—	—	(496)	—	<b>(496)</b>	(210)	<b>(706)</b>
Issue of share capital	181	231	—	—	—	—	<b>412</b>	—	<b>412</b>
Foreign exchange translation reserve	—	—	—	—	—	(1)	<b>(1)</b>	—	<b>(1)</b>
Share based payments	—	—	5	—	—	—	<b>5</b>	—	<b>5</b>
<b>Balance at 31 December 2015</b>	4,418	12,181	597	—	(14,765)	28	<b>2,459</b>	—	<b>2,459</b>
<b>Balance at 1 January 2016</b>	4,418	12,181	597	—	(14,765)	28	<b>2,459</b>	—	<b>2,459</b>
Loss for the period	—	—	—	—	(171)	—	<b>(171)</b>	—	<b>(171)</b>
Share based payments	—	—	10	—	—	—	<b>10</b>	—	<b>10</b>
<b>Balance at 30 June 2016</b>	4,418	12,181	607	—	(14,936)	28	<b>2,298</b>	—	<b>2,298</b>



## Notes to the Interim Report

### 1 General information

Orogen Gold plc is a company incorporated and domiciled in England and Wales. 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 quoted on the AIM market of the London Stock Exchange (ticker: ORE.L). The company's investment strategy is focused on mineral exploration in Europe and Nevada, USA.

The Mutsk gold exploration project in Armenia is the Company's main operational project and the Silverton project in Nevada, USA was added to the exploration portfolio in April 2016.

### 2 Basis of preparation

The financial information for the six months ended 30 June 2016 and 30 June 2015 is unaudited.

The Interim Report has been prepared using the same accounting policies as were applied in the Group's audited financial statements to 31 December 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). As is permitted by the AIM rules the Directors have not adopted the requirements of IAS34 "Interim Financial Reporting" in preparing the financial statements. Accordingly, the financial statements are not in full compliance with IFRS and have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. 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 2016 was approved by the Directors on 27 September 2016.

The financial information presented for the period ended 31 December 2015 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 Loss per share

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:

	Unaudited 30 June 2016 £'000	Unaudited 30 June 2015 £'000	Audited 31 December 2015 £'000
Loss after tax attributable to equity holders of the parent	(171)	(181)	(677)
Weighted average number of ordinary shares in issue (millions)	5,508	3,691	4,002
<b>Basic and diluted loss per share (pence)</b>	<b>(0.003)</b>	<b>(0.005)</b>	<b>(0.02)</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. The share options outstanding as at 30 June 2016 totalled 380,000,000 (30 June 2015: 225,000,000, 31 December 2015: 380,000,000) and are potentially dilutive.

## Notes to the Interim Report

### 4 Exploration and evaluation assets

	Armenia £'000	Silverton £'000	Serbia £'000	Total £'000
<b>Cost</b>				
At 1 January 2015	1,311	—	5,520	6,831
Additions	90	—	25	115
At 30 June 2015	1,401	—	5,545	6,946
<b>Impairment</b>				
At 1 January 2015	—	—	5,020	5,020
Impairment charge	—	—	—	—
At 30 June 2015	—	—	5,020	5,020
<b>Carrying value 30 June 2015</b>	<b>1,401</b>	<b>—</b>	<b>525</b>	<b>1,926</b>
<b>Cost</b>				
At 1 July 2015	1,401	—	5,545	6,946
Additions	176	—	9	185
At 31 December 2015	1,577	—	5,554	7,131
<b>Impairment</b>				
At 1 July 2015	—	—	5,020	5,020
Impairment charge	—	—	534	534
At 31 December 2015	—	—	5,554	5,554
<b>Carrying value 31 December 2015</b>	<b>1,577</b>	<b>—</b>	<b>—</b>	<b>1,577</b>
<b>Cost</b>				
At 1 January 2016	1,577	—	5,554	7,131
Additions	87	6	9	102
At 30 June 2016	1,664	6	5,563	7,233
<b>Impairment</b>				
At 1 January 2016	—	—	5,554	5,554
Impairment charge	—	—	9	9
At 30 June 2016	—	—	5,563	5,563
<b>Carrying value 30 June 2016</b>	<b>1,664</b>	<b>6</b>	<b>—</b>	<b>1,670</b>

### 5 Cash and cash equivalents

	Unaudited 30 June 2016 £'000	Unaudited 30 June 2015 £'000	Audited 31 December 2015 £'000
Cash at bank	652	851	921
<b>Cash and cash equivalents</b>	<b>652</b>	<b>851</b>	<b>921</b>

### 6 Share capital

Details of ordinary and deferred shares issued are in the table below:

Date	Details	Ordinary Shares (£0.0001)		Deferred Shares (£0.009)	
		Number of shares	Issue Price £	Number of shares	Issue Price £
<b>At 1 Jan 2015</b>	<b>Opening Balance</b>	<b>3,560,432,183</b>		<b>429,643,035</b>	
27 Jan 2015	Mutsk continuation notice	110,886,804	0.000597		
25 Mar 2015	Drill for equity agreement	36,350,350	0.002		
30 Oct 2015	Share placing - £450,000 (before costs)	1,800,000,000	0.00025		
<b>At 30 June 2016</b>	<b>Closing Balance</b>	<b>5,507,669,337</b>		<b>429,643,035</b>	

## Notes to the Interim Report

### 7 Subsequent events

On 26 July 2016, Orogen announced that it raised £350,000 before expenses through a share placing of 2,333,333,333 new Ordinary Shares of 0.01p each in the capital of the Company with investors at 0.015p per share. Following the completion of the placing, the total issued ordinary share capital of the Company comprised 7,841,002,670 shares.

On 31 August 2016, Orogen announced that it had completed US\$2.5m exploration expenditures on the Mutsk property and exercised its option to acquire an 80% interest in Georaid CJSC, the Armenian registered company that holds the exploration licence covering the Mutsk property. The completion of the earn-in has been acknowledged by Orogen's partners on the project and the process to register the Company's interest has commenced.

### 8 Copy of the Interim Report

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

## Company Information

Website: <http://www.rogengold.com>

Registered office	Finsgate 5-7 Cranwood Street London EC1V 9EE
Registered number	5379931, England and Wales
Directors	Adam Reynolds – Non-executive Chairman Colin Bird – Chief Executive Officer Edward Slowey – Operations Director Alan Mooney – Finance Director Michael Nolan – Non-executive Director
Secretary	Ross Crockett
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Nominated advisor	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Broker	Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT
Registrars	Capita Asset Services The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors	BPE Solicitors LLP St. James' House St. James' Square Cheltenham GL50 3PR