



**Interim Report 2017**

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## Chairman's statement

### Financials

In the six months to 30 June 2017 the Company reported turnover of £NIL (2016: £NIL), and a loss before tax of £733K (2016: loss of £171K).

### Strategy

On 21 March 2017, Orogen announced details of a proposed new strategy and consequent restructuring of its operations. The Board has completed a review of its operations and has concluded that it is no longer in shareholders' interests for the Company to continue to provide financial support for its mineral exploration activities. It is therefore seeking to dispose of its interests in its mineral exploration projects, and to conclude an acquisition which would constitute a reverse takeover under the AIM Rules. The Company has decided to cap further expenditure on its existing mineral exploration projects at £75,000 and to put them on care and maintenance programmes whilst buyers are sought for the Company's interests in these assets.

As an initial step in the above restructuring, the Company proposed to undertake a share consolidation and sub-division in order to increase the price at which the Company's shares trade on AIM and to enable the Company to raise funds through the issue of new shares. As part of the proposals that were put to a shareholder vote on 7 April 2017, up to £3.47m of new funds were to be introduced to the Company to implement the new strategy and the Company's name was to be changed to Orogen plc.

All resolutions put to shareholders were approved at a general meeting on 7 April 2017. Accordingly, the capital reorganisation and change of the Company name to Orogen plc were completed.

The decision to cease the Company's mineral exploration activities represents a fundamental change of business under Rule 15 of the AIM Rules, a consequence of which is that the Company was deemed to be a Rule 15 Cash Shell which means that the Company must make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules within six months of the general meeting, otherwise the trading of the Company's shares on AIM will be suspended.

If the Company has not made an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules within six months of such suspension, the admission of the Company's shares to trading on AIM will be cancelled.

On 26 May 2017 the Company's shares were suspended following an announcement advising that Orogen had entered into heads of agreement to acquire the entire issued share capital of Thread 35 Limited ("Thread"), a company that operates an e-commerce womenswear brand under the name "Sosandar". Furthermore, on that date the Company announced that it had made a secured loan of £250,000 to Thread.

The Company has subsequently notified that it has loaned a further £500,000 to Thread.

The Company is pleased to announce that it continues to undertake due diligence on Thread and is hopeful that it will shortly undertake a reverse transaction with Thread. A further announcement will be made in due course.

### **ADAM REYNOLDS**

Non-Executive Chairman

21 September 2017

**Consolidated statement of profit or loss and other comprehensive income**  
**For the six months ended 30 June 2017**

	Notes	Unaudited 6 months to 30 June 2017 £'000	Unaudited 6 months to 30 June 2016 £'000	Audited 12 months to 31 December 2016 £'000
General and administrative		(637)	(154)	(334)
Impairment of exploration and evaluation assets	4	(22)	(9)	(2,683)
Share based payments		—	(10)	(20)
From discontinued operations		(74)	—	(49)
<b>Group operating loss</b>		<b>(733)</b>	<b>(173)</b>	<b>(3,086)</b>
Interest received		—	2	3
<b>Loss on ordinary activities before taxation</b>		<b>(733)</b>	<b>(171)</b>	<b>(3,083)</b>
Tax on loss on ordinary activities		—	—	—
<b>Loss for the year from continuing operations</b>		<b>(733)</b>	<b>(171)</b>	<b>(3,083)</b>
<b>Attributable to:</b>				
Equity holders of the parent		(733)	(171)	(2,609)
Non-controlling interests		0	—	(474)
<b>Group loss for the period</b>		<b>(733)</b>	<b>(171)</b>	<b>(3,083)</b>
Exchange translation differences		(1)	—	66
<b>Total comprehensive loss for the period</b>		<b>(734)</b>	<b>(171)</b>	<b>(3,017)</b>
<b>Attributable to:</b>				
Owners of the parent		(732)	(171)	(2,543)
Non-controlling interests		(2)	—	(474)
		<b>(734)</b>	<b>(171)</b>	<b>(3,017)</b>
<b>Loss per share:</b>				
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (pence)	3	(0.544)	(0.776)	(10.3)

**Consolidated statement of financial position**  
**As at 30 June 2017**

	Notes	Unaudited 30 June 2017 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	4	—	1,670	—
Property, plant and equipment		—	2	—
<b>Total non-current assets</b>		—	1,672	—
<b>Current assets</b>				
Trade and other receivables		423	27	46
Cash and cash equivalents	5	2,703	652	342
<b>Total current assets</b>		3,126	679	388
<b>Total assets</b>		3,126	2,351	388
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	6	4,884	4,418	4,651
Share premium		15,535	12,181	12,268
Other reserves		678	635	676
Retained earnings		(18,103)	(14,936)	(17,367)
<b>Equity attributable to owners of the parent</b>		2,994	2,298	228
Non-controlling interests		3	—	3
<b>Total equity</b>		2,997	2,298	231
<b>Current liabilities</b>				
Trade and other payables		129	53	157
<b>Total current liabilities</b>		129	53	157
<b>Total liabilities</b>		129	53	157
<b>Total equity and liabilities</b>		3,126	2,351	388

**Consolidated cash flow statement**  
**For the six months ended 30 June 2017**

	Notes	Unaudited 6 months to 30 June 2016 £'000	Unaudited 6 months to 30 June 2015 £'000	Audited 12 months to 31 December 2016 £'000
<b>Cash flows from operating activities</b>				
<b>Group operating loss</b>		<b>(733)</b>	<b>(173)</b>	<b>(3,086)</b>
Share based payments		—	10	20
(Increase)/decrease in trade and other receivables		<b>(323)</b>	<b>(5)</b>	91
Decrease in trade and other payables		<b>(83)</b>	<b>(10)</b>	(32)
Impairment of exploration and evaluation assets	4	96	9	2,691
Profit on disposal of subsidiary		-	-	(25)
<b>Net cash flow from operating activities</b>		<b>(1,043)</b>	<b>(169)</b>	<b>(341)</b>
<b>Cash flow from investing activities</b>				
Expenditure on exploration and evaluation assets and project earn-ins	4	(96)	(102)	(568)
Outflow on disposal of subsidiary		-	-	(4)
Inflow on acquisition of subsidiary		-	-	11
Interest received		-	2	3
<b>Net cash flow from investing activities</b>		<b>(96)</b>	<b>(100)</b>	<b>(558)</b>
<b>Cash flow from financing activities</b>				
Net proceeds from issue of equity instruments	6	3,500	—	320
<b>Net cash flow from financing activities</b>		<b>3,500</b>	<b>—</b>	<b>320</b>
<b>Net change in cash and cash equivalents</b>		<b>2,361</b>	<b>(269)</b>	<b>(579)</b>
Net foreign exchange difference		—	—	-
Cash and cash equivalents at beginning of period	5	342	921	921
<b>Cash and cash equivalents at end of period</b>	5	<b>2,703</b>	<b>652</b>	<b>342</b>

**Consolidated statement of changes in equity  
For the six months ended 30 June 2017**

	Share capital	Share premium	Share based payment reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<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>
<b>Balance at 1 July 2016</b>	4,418	12,181	607	(14,936)	28	<b>2,298</b>	—	<b>2,298</b>
Loss for the period	—	—	—	(2,431)	—	<b>(2,431)</b>	3	<b>(2,428)</b>
Issue of share capital	233	87	—	—	—	<b>320</b>	—	<b>320</b>
Foreign exchange translation reserve	—	—	—	—	38	<b>38</b>	—	<b>38</b>
Share based payments	—	—	3	—	—	<b>3</b>	—	<b>3</b>
<b>Balance at 31 December 2016</b>	4,651	12,268	610	(17,367)	66	<b>228</b>	3	<b>231</b>
<b>Balance at 1 January 2017</b>	4,651	12,268	610	(17,367)	66	<b>228</b>	3	<b>231</b>
Loss for the period	—	—	—	(733)	—	<b>(733)</b>	—	<b>(733)</b>
Issue of share capital	233	3,267	—	—	—	<b>3,500</b>	—	<b>3,500</b>
Foreign exchange translation reserve	—	—	—	—	(1)	<b>(1)</b>	—	<b>(1)</b>
<b>Balance at 30 June 2017</b>	4,884	15,535	610	(18,100)	65	<b>2,994</b>	3	<b>2,997</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 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. The company is now classified as an AIM rule 15 cash shell.

### 2 Basis of preparation

The financial information for the six months ended 30 June 2017 and 30 June 2016 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 2016, 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 2017 was approved by the Directors on 21 September 2017.

The financial information presented for the period ended 31 December 2016 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 2017 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Loss after tax attributable to equity holders of the parent	(732)	(171)	(2,609)
Weighted average number of ordinary shares in issue (millions)	134,626	22,030	25,702
<b>Basic and diluted loss per share (pence)</b>	<b>(0.544)</b>	<b>(0.776)</b>	<b>(10.3)</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 2017 totalled 380,000,000 (30 June 2016: 380,000,000, 31 December 2016: 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 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>
<b>Cost</b>				
At 1 July 2016	1,664	6	5,563	7,233
Additions	851	162	—	1,013
Discontinued operations	—	—	(5,563)	(5,563)
At 31 December 2016	2,515	168	—	2,683
<b>Impairment</b>				
At 1 July 2016	—	—	5,563	5,563
Impairment charge	2,515	168	—	2,683
Discontinued operations	—	—	(5,563)	(5,563)
At 31 December 2016	2,515	168	—	2,683
<b>Carrying value 31 December 2016</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Cost</b>				
At 1 January 2017	2,515	168	—	2,683
Additions	—	—	96	96
At 30 June 2017	2,515	168	96	2,779
<b>Impairment</b>				
At 1 January 2017	2,515	168	—	2,683
Impairment charge	—	—	96	96
At 30 June 2017	2,515	168	96	2,779
<b>Carrying value 30 June 2017</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

### 5 Cash and cash equivalents

	Unaudited 30 June 2016 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Cash at bank	2,703	652	342
<b>Cash and cash equivalents</b>	<b>2,703</b>	<b>652</b>	<b>342</b>

## Notes to the Interim Report

### 6 Share capital

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

Date	Details	Ordinary Shares (£0.01)		Deferred Shares (£0.9)		Deferred Shares (£0.01)	
		Number of shares	Issue Price £	Number of shares	Issue Price £	Number of shares	Issue Price £
<b>At 1 Jan 2017</b>	<b>Opening Balance</b>	<b>7,841,002,670</b>		<b>429,643,035</b>			
7 Apr 2017	Share placing	80	0.0001				
7 Apr 2017	Consolidation	(7,809,638,739)					
7 Apr 2017	Subdivision					7,809,638,739	0.0001
10 Apr 2017	Share placing	231,364,011	0.015				
03 May 2017	Share placing	2,000,000	0.015				
<b>At 30 June 2017</b>	<b>Closing Balance</b>	<b>264,728,022</b>		<b>429,643,035</b>		<b>7,809,638,739</b>	

### 7 Subsequent events

On 6 July 2017, Orogen announced a further drawdown of Loan to Thread 35 Limited of £250,000. This brings the total outstanding loan amount to £500,000.

### 8 Copy of the Interim Report

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

## Company Information

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

Registered office	Finsgate 5-7 Cranwood Street London EC1V 9EE
Registered number	5379931, England and Wales
Directors	Adam Reynolds – Non-executive Director Steven Metcalfe – Non-executive Director Mark Collingbourne – Non-executive Director
Secretary	Mark Collingbourne
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Nominated advisor	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Broker	Turner Pope Limited 6 <sup>th</sup> Floor 36 Old Bailey London EC2R 8DD
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