



**Orogen Gold PLC** - ORE Half Yearly Report  
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Orogen Gold PLC  
30 September 2015

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## **Orogen Gold plc**

("Orogen Gold" or the "Company")

### **Interim Results for the six months ended 30 June 2015**

Orogen Gold plc (AIM: ORE), the AIM quoted gold exploration company, announces its interim results for the six months ended 30 June 2015.

**Enquires:**

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### **About Orogen Gold**

Orogen Gold plc is a UK public company quoted on the London Stock Exchange AIM market (ticker: ORE). The Company is focused on mineral exploration and development in Europe and is currently operating two gold exploration projects: a) at Mutsk in Armenia and b) at Deli Jovan in Serbia. The Mutsk gold project in Armenia was optioned by Orogen early in 2013 to follow-up reports of a new epithermal discovery within an established gold district. At Deli Jovan the historic high-grade gold mining camp was last in production prior to World War II and has been significantly under-explored in modern

times. The Mutsk project has been prioritised by the Company due to the clear potential evident on the property.

### **Chairman's statement**

Decreasing commodity prices over the past year has meant that funding for exploration companies continues to be difficult. A large number of projects are competing for investment in a commodity bear market and in these circumstances it is particularly difficult to raise new finance for investment. The Board however are not deterred by current conditions and are structuring to take advantage of the many opportunities that the current conditions present.

### **Operations**

Mutsk in Armenia has proved to be a potentially large, low grade gold discovery that requires a substantial exploration and drilling campaign to demonstrate the scale of the discovery and define a mineral resource to JORC or equivalent standard. The investment involved is substantial and in the current climate it may not be possible to raise the necessary funding to develop the project as our geological team would wish. Nonetheless we intend to secure our interest in this project which has the potential to be a high value asset. In that regard we can report that the Mutsk exploration permit, which has been extended until July 2017 by the Armenian Ministry of Energy and Natural Resources, following submission of a report on work completed on the property.

We have completed our exploration work at Deli Jovan in Serbia. We have determined Deli Jovan as a narrow vein high grade gold project with intermittent continuity that does not lend itself to definition of large scale resources through very detailed drilling. The Deli Jovan system may however prove amenable to a small scale direct mining approach.

Agreeing firm commitments from potential partners to the necessary investments on our projects represents a challenge in the current depressed resource markets. However, we are in discussions with a number of parties interested to participate in the development of our projects and these discussions are continuing.

### **Financial and Corporate Review**

At 30 June 2015 cash stood at £851,000 (31 December 2014: £1,118,000). The loss for the period amounted to £181,000 (6 months to 30 June 2014: £214,000). The Company has reduced general and administrative costs by 16% from the corresponding 6 month period and these costs have been reduced further in the period after the reporting date.

### **Board Changes**

Concurrently with the issue of this Interim Report, the Company has separately announced changes to the board, specifically the appointment of Colin Bird as CEO with Ed Slowey taking up the role of Operations Director and Anthony Venus stepping down to pursue other business interests. Colin Bird is an experienced and established public company director and has been responsible in successfully developing several minerals exploration projects around the world.

### **Outlook**

The Board is constantly reviewing quality projects against a difficult market. We intend to be pro-active in the development of our company and we look forward to updating shareholders in due course.

### **ADAM REYNOLDS**

Non-Executive Chairman  
29 September 2015

**Consolidated statement of profit or loss and other comprehensive income**  
**For the six months ended 30 June 2015**

	Unaudited 6 months to 30 June 2015	Unaudited 6 months to 30 June 2014	Audited 12 months to 31 December 2014
	£'000	£'000	£'000
<b>Continuing operations</b>			
Revenue	-	-	-
Operational costs	-	-	-
<b>Gross loss</b>	-	-	-
General and administrative	<b>(184)</b>	(219)	(548)
Impairment of exploration and evaluation assets	-	-	(1,318)
<b>Group operating loss</b>	<b>(184)</b>	(219)	(1,866)
Interest received	<b>3</b>	5	7
<b>Loss on ordinary activities before taxation</b>	<b>(181)</b>	(214)	(1,859)
Tax on loss on ordinary activities	-	-	-
<b>Loss for the year from continuing operations</b>	<b>(181)</b>	(214)	(1,859)
<b>Attributable to:</b>			
Equity holders of the parent	<b>(181)</b>	(211)	(1,657)
Non-controlling interests	-	(3)	(202)
<b>Group loss for the period</b>	<b>(181)</b>	(214)	(1,859)
Exchange translation differences	<b>(1)</b>	(2)	(3)
<b>Total comprehensive loss for the period</b>	<b>(182)</b>	(216)	(1,862)
<b>Attributable to:</b>			
Owners of the parent	<b>(182)</b>	(213)	(1,660)
Non-controlling interests	-	(3)	(202)
	<b>(182)</b>	(216)	(1,862)
<b>Loss per share:</b>			
Loss per share - basic and diluted, attributable to ordinary equity holders of the parent (pence)	<b>(0.005)</b>	(0.009)	(0.061)

**Consolidated statement of financial position**  
**As at 30 June 2015**

	Unaudited 30 June 2015	Unaudited 30 June 2014	Audited 31 December 2014
	£'000	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets	<b>1,926</b>	2,468	1,811
Property, plant and equipment	<b>2</b>	3	3
<b>Total non-current assets</b>	<b>1,928</b>	2,471	1,814
<b>Current assets</b>			
Trade and other receivables	<b>27</b>	47	58
Cash and cash equivalents	<b>851</b>	713	1,118

<b>Total current assets</b>	<b>878</b>	760	1,176
<b>Total assets</b>	<b>2,806</b>	3,231	2,990
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	4,237	3,057	4,222
Share premium	11,950	11,704	11,827
Other reserves	621	623	760
Retained earnings	(14,269)	(12,642)	(14,088)
<b>Equity attributable to owners of the parent</b>	<b>2,539</b>	2,742	2,721
Non-controlling interests	210	399	200
<b>Total equity</b>	<b>2,749</b>	3,141	2,921
<b>Current liabilities</b>			
Trade and other payables	57	90	69
<b>Total current liabilities</b>	<b>57</b>	90	69
<b>Total liabilities</b>	<b>57</b>	90	69
<b>Total equity and liabilities</b>	<b>2,806</b>	3,231	2,990

**Consolidated cash flow statement  
For the six months ended 30 June 2015**

	Unaudited 6 months to 30 June 2015 £'000	Unaudited 6 months to 30 June 2014 £'000	Audited 12 months to 31 December 2014 £'000
<b>Cash flows from operating activities</b>			
<b>Group operating loss</b>	<b>(184)</b>	(219)	(1,866)
Decrease in trade and other receivables	31	39	35
(Decrease)/increase in trade and other payables	(12)	(1)	18
Impairment of exploration and evaluation assets	-	-	1,318
<b>Net cash flow from operating activities</b>	<b>(165)</b>	(181)	(495)
<b>Cash flow from investing activities</b>			
Expenditure on exploration and evaluation assets and project earn-ins	(106)	(332)	(893)
Disposal of property, plant and equipment	-	13	-
Interest received	3	5	7
<b>Net cash flow from investing activities</b>	<b>(103)</b>	(314)	(886)
<b>Cash flow from financing activities</b>			
Net proceeds from issue of equity instruments	-	-	1,288
<b>Net cash flow from financing activities</b>	<b>-</b>	-	1,288
<b>Net change in cash and cash equivalents</b>	<b>(268)</b>	(495)	(93)
Net foreign exchange difference	1	-	3
Cash and cash equivalents at beginning of period	1,118	1,208	1,208
<b>Cash and cash equivalents at end of period</b>	<b>851</b>	713	1,118

**Consolidated statement of changes in equity  
For the six months ended 30 June 2015**

	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 2014</b>	3,057	11,704	592	-	(12,431)	33	<b>2,955</b>	402	<b>3,357</b>
Loss for the period	-	-	-	-	(211)	-	<b>(211)</b>	(3)	<b>(214)</b>
Foreign exchange translation reserve	-	-	-	-	-	(2)	<b>(2)</b>	-	<b>(2)</b>
<b>Balance at 30 June 2014</b>	3,057	11,704	592	-	(12,642)	31	<b>2,742</b>	399	<b>3,141</b>
<b>Balance at 1 July 2014</b>	3,057	11,704	592	-	(12,642)	31	<b>2,742</b>	399	<b>3,141</b>
Loss for the period	-	-	-	-	(1,446)	-	<b>(1,446)</b>	(199)	<b>(1,645)</b>
Issue of share capital	1,165	123	-	-	-	-	<b>1,288</b>	-	<b>1,288</b>
Shares to be issued	-	-	-	138	-	-	<b>138</b>	-	<b>138</b>
Foreign exchange translation reserve	-	-	-	-	-	(1)	<b>(1)</b>	-	<b>(1)</b>
<b>Balance at 31 December 2014</b>	4,222	11,827	592	138	(14,088)	30	<b>2,721</b>	200	<b>2,921</b>
<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>

## Notes

### 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 is focused on gold and minerals exploration in Europe. Exploration operations are based in Armenia (Mutsk project) and in Serbia (Deli Jovan project).

### 2 Basis of preparation

The financial information for the six months ended 30 June 2015 and 30 June 2014 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 2014, which were 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 2015 was approved by the Directors on 29 September 2015.

The financial information presented for the period ended 31 December 2014 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 2015 £'000	Unaudited 30 June 2014 £'000	Audited 31 December 2014 £'000
Loss after tax attributable to equity holders of the parent	(181)	(211)	(1,657)
Weighted average number of ordinary shares in issue (millions)	3,691	2,396	2,723
<b>Basic and diluted loss per share (pence)</b>	<b>(0.005)</b>	<b>(0.009)</b>	<b>(0.061)</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 2015 totalled 225,000,000 (30 June 2014: 225,000,000, 31 December 2014: 225,000,000) and are potentially dilutive.

### 4 Exploration and evaluation assets

	Armenia £'000	Serbia £'000	Total £'000
<b>Cost</b>			

At 1 January 2014	387	5,451	5,838
Additions	283	49	332
At 30 June 2014	670	5,500	6,170
<b>Impairment</b>			
At 1 January 2014	-	3,702	3,702
Impairment charge	-	-	-
At 30 June 2014	-	3,702	3,702
<b>Carrying value 30 June 2014</b>	<b>670</b>	<b>1,798</b>	<b>2,468</b>
<b>Cost</b>			
At 1 July 2014	670	5,500	6,170
Additions	641	20	661
At 31 December 2014	1,311	5,520	6,831
<b>Impairment</b>			
At 1 July 2014	-	3,702	3,702
Impairment charge	-	1,318	1,318
At 31 December 2014	-	5,020	5,020
<b>Carrying value 31 December 2014</b>	<b>1,311</b>	<b>500</b>	<b>1,811</b>
<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>525</b>	<b>1,926</b>

## 5 Cash and cash equivalents

	Unaudited 30 June 2015	Unaudited 30 June 2014	Audited 31 December 2014
	£'000	£'000	£'000
Cash at bank	851	713	1,118
<b>Cash and cash equivalents</b>	<b>851</b>	<b>713</b>	<b>1,118</b>

## 6 Share capital

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

Date	Details	Ordinary Shares (£0.001/£0.0001)		Deferred Shares (£0.009)	
		Number of shares	Issue Price £	Number of shares	Issue Price £
At 1 Jan 2014	Opening Balance	2,395,839,120		73,599,817	
10 Sept 2014	Share placing - £1,125,000	1,022,727,272	0.0011		
16 Oct 2014	Share placing to Directors - £75,000	65,217,391	0.00115		
20 Oct 2014	Drill for equity agreement	76,648,400	0.002		
19 Dec 2014	Capital reorganisation	(3,560,432,183)			
19 Dec 2014	Capital reorganisation	3,560,432,183	0.001	356,043,218	0.009
27 Jan 2015	Mutsk continuation notice	110,886,804	0.000597		
25 Mar 2015	Drill for equity agreement	36,350,350	0.002		
At 30 June 2015	Closing Balance	3,707,669,337		429,643,035	

## 7 Contingent liabilities

The Company is in discussion with HMRC regarding the recoverability of VAT by Orogen Gold plc. The Company is cooperating fully with HMRC on the matter. The Company has recovered a total of £254,000 in VAT for the periods up to 30 June 2015.

Notwithstanding the enquiries HMRC continues to refund the VAT recovery claims being made by the Company.

#### **8 Subsequent events**

On 29 September 2015, Colin Bird was appointed as director and Chief Executive Officer of the Company. On the same date, Ed Slowey (formerly CEO) was appointed as Operations Director and Anthony Venus resigned as a director of the Company.

#### **9 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).

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