Orogen PLC - ORE Final Results
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Orogen PLC
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Orogen plc (formerly Orogen Gold plc)
("Orogen" or "the Company")

Final Results for the year ended 31 December 2016

Orogen plc (AIM:ORE), the cash sell currently finalising the reverse takeover of e-commerce womenswear brand Sosandar, announces its audited results for the year ended 31 December 2016.

During the period under review the Company operated mineral exploration activities. Since the period end it announced that it would be disposing its assets to become a cash shell. On 26 May 2017, it subsequently announced agreed heads of terms for the reverse takeover of Thread 35 Limited which operates an e-commerce womenswear brand under the brand name "Sosandar".

Enquiries:

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Chairman's Statement

On 21 March 2017, the Company announced that it had completed a review of its operations and had concluded that it was no longer in Shareholders' interests for the Company to continue to provide financial support for its mineral exploration activities. The Board proposed to dispose of the Company's mineral exploration interests and change the Company's business strategy. The Company became an AIM Rule 15 cash shell on 7 April 2017.

On 26 May 2017, the Company announced that it had agreed heads of terms with Thread 35 Limited ("Thread") to acquire Thread's entire issued share capital, subject to certain conditions and due diligence. This acquisition would constitute a reverse transaction under the AIM rules. Thread operates an e-commerce womenswear brand under the brand name "Sosandar".

As at the date of this report, discussions are continuing the disposal of the mineral interests and the other subsidiaries of Orogen.

I am delighted with the progress we are making with regards to the due diligence process relating to the acquisition of Thread. I believe we have identified a very exciting acquisition, with a strong and experienced management team in a market sector that is growing rapidly. I look forward to reporting back to shareholders in due course.

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Adam Reynolds
Chairman

Date: 28 June 2017

Strategic Report

REVIEW OF BUSINESS

Mutsk Gold Project, Armenia
Exercise of Earn-in Option
During the year, Orogen completed the earn-in exploration expenditures of US$2.5 million on the Mutsk property prior to the required date of 31 August 2016. On completion of the earn-in expenditure Orogen exercised its option to acquire an 80% interest in Georaid CJSC, the Armenian registered company which holds the exploration licence covering the Mutsk property. Orogen received its 80% interest during the year. An additional £125,000 of exploration expenditure was incurred on the project after the option exercise date in the period to 31 December 2016. As the Company's partners on the project have not contributed to this expenditure as is required to maintain their 20% interest in the project, Orogen's interest in the project increased to approximately 82% by the year end.

2016 Exploration Programme
Diamond drilling at the Mutsk gold property recommenced in early July 2016 with the aim of extending the footprint of the gold deposit. An initial programme of seven holes totalling 1,015 metres directed towards the east was completed in early September 2016. The holes were focussed to the east and south of the main gold zone at Mutsk. Six of the seven holes completed cut sections of hydrothermal alteration with associated gold-bearing intervals.

A further step-out drilling programme was undertaken in October-November 2016 comprising of four step-out diamond drill holes to assess the potential strike extent of the Mutsk gold deposit. All holes were drilled at 50 degrees towards the east.

Overall, management was very encouraged by the outcome of a relatively limited drilling programme in 2016. This has demonstrated that a substantial gold deposit has been discovered with open pit potential. The strike length of the Mutsk deposit has been substantially increased in the current year from 0.5km to 1.3km, with the deposit still open to the south. In addition, drilling to the east of the original discovery has located further multiple gold bands, almost doubling the mineralisation footprint from east to west. There is also potential for additional discoveries further to the east, as well as at depth. The drilling has given an indication of the potential scale of the project.

Silverton, Nevada
The Silverton project is located northeast of Tonopah in the central Pancake Range in Nevada, USA. Over the last three decades multiple companies have explored the property for gold and silver.

In June 2016 Orogen signed an agreement with Galileo Resources plc ("Galileo") pursuant to which Orogen has the right to earn-in to a 51% interest in the project by way of exploration expenditure of US$400,000 (the "First Expenditure") within 18 months and thereafter the possibility to spend an additional US$1,500,000 (the "Second Expenditure") within 30 months to earn-in a further 24% interest, in total 75%, in the project. Galileo will have the right to participate pro rata after the First Expenditure; should it exercise this right it would retain a 49% equity interest in Silverton (as opposed to being diluted down to 25%).

In October 2016, Orogen completed a total of 1,274m of reverse circulation drilling in five holes on two targets within the Silverton claim area. Holes were targeted primarily at testing the Silverton Fault Zone at depth beneath previous shallower vertical drilling that had intercepted moderate to low grade gold and silver mineralisation over significant widths in the fault hanging-wall. The Silverton Fault appeared to be a potential feeder to widespread shallow gold mineralisation.

The holes generally confirmed earlier results, with low-grade gold occurring in a package of iron-stained and pyrite-bearing felsitic tuff and quartzite within the hanging-wall sequence above the fault structure. Three of the four holes aimed at the fault zone intersected gold mineralisation, however the intercepts were not enhanced compared to the shallower historic holes. While the geology was much as expected, no significant gold mineralisation was encountered.

CHANGE OF NAME AND STRATGEY
While the 2016 drilling results at Mutsk were encouraging in that they extended the gold deposit footprint, an independent study of the deposit has concluded that the current resource lies well below the target of 1,000,000 ounces of gold for the project. The Company believes that there is scope to add to the resource through additional exploration and infill drilling, albeit that the overall gold grade of circa 1 g/t is low and will therefore require significant additional tonnage to move the project forward to a commercial mine. As the Company has limited capital resources, and the Board does not consider that the Company will be able to raise the relatively significant level of new funds on acceptable terms to finance the further exploration that is needed to delineate the target orebody, it has been decided that a sale or joint venture of this project to a larger and more financially robust entity gives the project the opportunity to move forward and gives the Company some expectation of recovering part of its investment.

The drilling results at Silverton in Nevada were disappointing. A low grade zone has been encountered on the Silverton fault zone, but there is no sign of gold enhancement at depth. The Board does not consider that these results provide a strong case for further drilling.

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. Following the resolutions being passed, the Company is deemed to be an AIM 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.

FINANCIAL AND CORPORATE

The loss for the year amounted to £3,083,000 (2015: £890,000). The loss for the year comprises an impairment charge of £2,691,000 (2015: £534,000), general and administrative expenses of £375,000 (2015: £356,000), share based payment charge of £20,000 (2015: £5,000) and finance income of £3,000 (2015: £5,000). The impairment charge is as a result of a review performed on the carrying value of the exploration and evaluation assets related to the Mutsk Gold Project (£2,515,000) and Silverton project (£168,000). A further £8,000 (2015: £534,000) was impaired on the Deli Jovan project and has been included in the loss on discontinued operations.

Following the completion of the capital reorganisation and placing on 7 April 2017 there was a total of 262,728,022 ordinary shares in issue. The Company raised gross proceeds of approximately £3.47 million, through an open offer, placing and second placing which added 231,364,011 ordinary shares to the 31,364,011 ordinary shares in existence after the capital reorganisation.

Immediately following the general meeting on 7 April 2017, Colin Bird, Edward Slowey, Michael Nolan and Alan Mooney resigned from the Board and Steven Metcalfe and Mark Collingbourne were appointed as non-executive directors of the Company with immediate effect. In addition, the Company appointed Turner Pope Investments (TPI) Ltd as sole broker with immediate effect.

PRINCIPAL RISKS AND UNCERTAINTIES

The success of the Company is dependent on its ability to identify appropriate acquisitions and to attract sufficient funding to successfully develop them. The Company considers that the principal risks to the achievement of its business plans are as follows:

- Implementation risk: The Company's future success is largely dependent upon its ability to identify and execute a successful acquisition or acquisitions which constitutes a reverse takeover under Rule 14 of the AIM Rules. At the date of this report, whilst the Directors and have identified a number of potential acquisition opportunities that might be suitable for further consideration, the Directors have not carried out any due diligence on any acquisition opportunities or entered into any discussions or agreements in relation to any opportunity. There can be no assurance that the Company will be able to identify opportunities that are suitable or conclude agreements with any target business in the future. In addition, the Company may face competition for acquisitions from other organisations which may be larger and/or better funded. The Company cannot accurately predict how long it will take to deploy the capital available to it, if at all. Precise timings will depend on, among other things, the availability of suitable acquisitions, due diligence, negotiations with counterparties and investment structuring considerations.

- Due diligence risk: The due diligence process that the Company will undertake in connection with the strategy may not reveal all facts that may be relevant in connection with a proposed acquisition. Before investing, the Company is expected to conduct due diligence on a potential acquisition, including valuation analysis in order to identify material issues which might affect an investment decision. In many cases, the Company will rely on third parties and public information to conduct any such due diligence. The due diligence process may at times be subjective and only limited information may be available. In addition, the Company expects that any third party due diligence, feasibility, valuation or similar analyses will be subject to a number of qualifications and may be based on assumptions that could prove to be incorrect. Accordingly, the Company cannot assure investors that the due diligence investigation that it or any third party will carry out with respect to any future development will reveal or highlight all relevant risks associated with such an acquisition. Due diligence may also be insufficient to reveal all of the past and future liabilities relating to the operations and objectives of the target. The

Company may lose all or part of the value of such acquisition, which could have a material adverse effect on the Company's financial condition and results of operations and which could reduce the value of the Company's ordinary shares.

- Financial risk: There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions. The net proceeds of the April 2017 placing are likely to be insufficient to fund in full all suitable acquisitions identified by the Board. Accordingly, the Company expects to seek additional sources of financing to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing equity securities or convertible debt securities, existing shareholders may be diluted and the new securities may carry rights, privileges and preferences superior to existing ordinary shares. The Company may seek debt finance to fund all or part of any future acquisition. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If such funding is unavailable, the Company may be required to reduce the scope of its operations or anticipated expansion. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions imposed by the providers of such funding.

For and on behalf of the board:

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Adam Reynolds
Director
Date: 28 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	**2016** **£'000**	2015[1] £'000
Continuing operations			
Revenue		**-**	-
Operational costs		**-**	-
Gross profit		**-**	-
General and administrative expenses		**(334)**	(356)
Share based payments	17	**(20)**	(5)
Impairment of exploration and evaluation assets	9	**(2,683)**	-
Group operating loss	4	**(3,037)**	(361)
Finance income	5	**3**	5
Loss on ordinary activities before taxation		**(3,034)**	(356)
Tax on loss on ordinary activities	7	**-**	-
Loss for the year from continuing operations		**(3,034)**	(356)
Discontinued operations			
Loss for the year from discontinued operations	**11**	**(49)**	(534)
Total loss for the year		**(3,083)**	(890)
Attributable to:			
Equity holders of the parent		**(2,609)**	(677)
Non-controlling interests		**(474)**	(213)
Group loss for the year		**(3,083)**	(890)
Exchange translation differences		**66**	(2)
Total comprehensive loss for the year		**(3,017)**	(892)
Attributable to:			
Owners of the parent		**(2,543)**	(679)
Non-controlling interests		**(474)**	(213)

		(3,017)	(892)

Loss per share:			
Loss per share - basic and diluted, attributable to ordinary equity holders of the parent (pence)	8	**(10.3)**	(4.2)
Loss per share - basic and diluted, from continuing operations (pence)	8	**(10.1)**	(2.2)

1 - The comparatives have been restated to reflect the reclassification of Deli Jovan Exploration d.o.o. and Orogen Gold (Serbia) Limited as discontinued operations. The changes in presentation and the circumstances surrounding them are described in Note 2 - Accounting policies and Note 11 - Discontinued operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	**2016** **£'000**	2015 £'000
Assets			
Non-current assets			
Exploration and evaluation assets	9	**-**	1,577
Property, plant and equipment	12	**-**	2
Total non-current assets		**-**	1,579
Current assets			
Trade and other receivables	14	**46**	22
Cash and cash equivalents	15	**342**	921
Total current assets		**388**	943
Total assets		**388**	2,522
Equity and liabilities			
Equity			
Share capital	16	**4,651**	4,418
Share premium	16	**12,268**	12,181
Other reserves		**676**	625
Retained earnings	18	**(17,367)**	(14,765)
Equity attributable to owners of the parent		**228**	2,459
Non-controlling interests		**3**	-
Total equity		**231**	2,459
Current liabilities			
Trade and other payables	19	**157**	63
Total current liabilities		**157**	63
Total liabilities		**157**	63
Total equity and liabilities		**388**	2,522

The financial statements were approved and authorised for issue by the Board of Directors on 28 June 2017 and were signed on its behalf by:

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Adam Reynolds
Director

Company Number: 5379931

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015[1] £'000
Cash flows from operating activities			
Group loss for the year - continuing operations		**(3,034)**	(356)
Group loss for the year - discontinued operations		**(49)**	(534)
Group loss for the year		**(3,083)**	(890)
Finance income	5	**(3)**	(5)
Share based payments	17	**20**	5
Profit on disposal of subsidiary	11	**(25)**	-
Impairment of exploration and evaluation assets	9	**2,691**	534
Working capital adjustments:			
Change in trade and other receivables		**91**	36
Change in trade and other payables		**(32)**	(4)
Net cash flow from operating activities		**(341)**	(324)
Cash flow from investing activities			
Expenditure on exploration and evaluation assets and project earn-ins		**(568)**	(292)
Outflow on disposal of subsidiary	11	**(4)**	-
Inflow on acquisition of subsidiary	10	**11**	-
Bank interest received	5	**3**	5
Net cash flow from investing activities		**(558)**	(287)
Cash flow from financing activities			
Net proceeds from issue of equity instruments	16	**320**	411
Net cash flow from financing activities		**320**	411
Net change in cash and cash equivalents		**(579)**	(200)
Net foreign exchange difference		**-**	3
Cash and cash equivalents at beginning of year	15	**921**	1,118
Cash and cash equivalents at end of year	15	**342**	921

1 - The comparatives have been restated to reflect the reclassification of Deli Jovan Exploration d.o.o. and Orogen Gold (Serbia) Limited as discontinued operations. The changes in presentation and the circumstances surrounding them are described in Note 2 - Accounting policies and Note 11 - Discontinued operations.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Shares to be issued reserve £'000	Retained earnings £'000	Foreign currency translation reserve £'000	**Total £'000**	Non-controlling interests £'000	**Total equity £'000**
Balance at 1 January 2015		4,222	11,827	592	138	(14,088)	30	**2,721**	200	**2,921**
Loss for the year		-	-	-	-	(677)	-	**(677)**	(213)	**(890)**
Foreign exchange translation reserve		-	-	-	-	-	(2)	**(2)**	-	**(2)**

Total comprehensive income		-	-	-	-	(677)	(2)	**(679)**	(213)	**(892)**
Other movements		-	-	-	-	-	-	**-**	13	**13**
Shares based payments	17	-	-	5	-	-	-	**5**	-	**5**
Issue of share capital	16	196	354	-	(138)	-	-	**412**	-	**412**
Balance at 31 December 2015		4,418	12,181	597	-	(14,765)	28	**2,459**	-	**2,459**
Balance at 1 January 2016		4,418	12,181	597	-	(14,765)	28	**2,459**	-	**2,459**
Loss for the year		-	-	-	-	(2,609)	-	**(2,609)**	(474)	**(3,083)**
Foreign exchange translation reserve		-	-	-	-	-	66	**66**	-	**66**
Total comprehensive income		-	-	-	-	(2,609)	66	**(2,543)**	(474)	**(3,017)**
Acquisition of a subsidiary	10	-	-	-	-	-	-	**-**	477	**477**
Disposal of a subsidiary		-	-	-	-	-	(28)	**(28)**	-	**(28)**
Transfer of shares based payment reserve		-	-	(7)	-	7	-	**-**	-	**-**
Shares based payments	17	-	-	20	-	-	-	**20**	-	**20**
Issue of share capital	16	233	87	-	-	-	-	**320**	-	**320**
Balance at 31 December 2016		4,651	12,268	610	-	(17,367)	66	**228**	3	**231**

Share capital is the amount subscribed for shares at nominal value.
Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses.
Share based payments reserve relate to the charge for share based payments in accordance with International Financial Reporting Standard 2.
Shares to be issued reserve represents the deferred share consideration in relation to services performed in 2014 for which shares were issued in 2015.
Retained earnings represent the cumulative loss of the Group attributable to equity shareholders.
Foreign currency translation reserve represents the retranslation of foreign subsidiaries.
Non-controlling interests represent the share of ownership of subsidiary companies outside the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Orogen plc (formerly Orogen Gold plc) (the "Company") is a company incorporated 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 is listed on the AIM market of the London Stock Exchange (ticker: ORE.L).

The principal activity of the Company during the year was gold and mineral exploration and production in Europe and the USA. At a general meeting of the Company on 7 April 2017, a change of strategy was approved by the shareholders of the Company. The Company is now classified as an AIM Rule 15 cash shell.

2 Significant accounting policies

Basis of preparation

The consolidated financial statements consolidate those of the Company and its subsidiaries (together the "Group" or "Orogen"). The consolidated financial statements of the Group and the individual financial statements of the Company are prepared in accordance with applicable UK law and International Financial Reporting Standards ("IFRS") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The Directors consider that the financial information presented in these Financial Statements represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries and associated undertakings. All consolidated subsidiaries have a reporting date of 31 December.

Subsidiaries are all entities over which Orogen plc has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Comparative Information

There have been a number of developments which have changed the presentation of the comparative information and these are summarised as follows:

- On 8 September 2016, a liquidation process commenced for Deli Jovan Exploration d.o.o. a 60% owned Serbian subsidiary of the Company. All results and cash flows of the subsidiary for the year ended 31 December 2015 have been reclassified as discontinued.
- Orogen Gold (Serbia) Limited holds the Group's 60% interest in Deli Jovan Exploration d.o.o. It doesn't have any other activities. All results and cash flows of the subsidiary for the year ended 31 December 2015 have been reclassified as discontinued.
- The segmental information for 31 December 2015 has been restated to include the above changes within discontinued operations.

Except as indicated above, the Group financial statements have been prepared on a basis consistent with that reported for the year ended 31 December 2015.

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Pounds Sterling (£), which is the Group's presentation currency and the Company's functional currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial period. New standards and amendments to IFRS effective as of 1 January 2016 have been reviewed by the Group. These standards and amendments principally relate to clarifications and presentation and there has been no material impact on the financial statements as a result. The new standards include:

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRSs: Annual Improvements 2012-2014 Cycle
- Disclosure Initiative (Amendments to IAS1)
- Amendment to IAS27: Equity Methods in Separate Financial Statements
- Amendment to IFRS 11: Accounting for Acquisitions of Interest in Joint Ventures
- Clarification of Acceptable Methods of Depreciation and Amortisation: Disclosure Initiative
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception.

Standards issued but not yet effective

There were a number of standards and interpretations which were in issue at 31 December 2016 but were not effective at 31 December 2016 and have not been adopted for these Financial Statements. The Directors have assessed the impact of these accounting changes on the Company.

The new standards include:

IFRS 9	Financial Instruments [2]
IFRS 15	Revenue from Contracts with Customers [2]
IFRS 16	Leases[3]
Improvements to IFRSs	Annual Improvements 2014-2016 Cycle [2, 3]
Amendments to IAS 40	Transfers of Investment Property [2]
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses [1]

Amendments to IAS 7	Disclosure Initiative [1]
Clarifications to IFRS 15	Revenue from Contracts with Customers [2]
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions [2]
IFRIC 23	Uncertainty over Income Tax Treatments [3]
IFRIC 22	Foreign Currency Transactions and Advance Consideration [2]

[1] Effective for annual periods beginning on or after 1 January 2017
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019

Critical accounting judgements and key sources of estimation uncertainty
The preparation of Financial Statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group's accounting policy descriptions set out the areas that involve significant estimation, uncertainty and critical judgement. The most significant of which are exploration and evaluation expenditure, business combinations and impairment of intangible assets and investments.

Principal accounting policies
The principal accounting policies are summarised below. They have been consistently applied throughout the period covered by the Financial Statements.

Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. In the consolidated Financial Statements, acquisition costs incurred are expensed and included in general and administrative expenses.

Exploration and evaluation assets
Exploration and evaluation assets are measured using the cost method of recognition. Exploration and evaluation expenditure is capitalised and recognised as an exploration and evaluation asset when the rights to an area of interest are current, the expenditures are expected to be recouped through successful development and exploitation activities and the operations are current and have not reached such a stage that a reasonable assessment of recoverable reserves can be made.
Exploration and evaluation expenditure includes:

- acquisition of rights to explore
- researching, analysing and collating of historical data
- exploratory drilling, sampling and trenching
- evaluation of technical feasibility and commercial viability
- administrative and general overheads related to an area of interest

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Property, plant and equipment comprises office and field equipment and freehold land. Freehold land is not depreciated. Office and field equipment are depreciated over 3 to 10 years.

Equity

Equity instruments issued by the Company are recorded at the value of the proceeds received, net of direct issue costs, allocated between share capital and share premium.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates.

Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the same income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and Company intends to settle its current tax assets and liabilities on a net basis.

Share based compensation
The fair value of the employee and suppliers services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

Provisions
Provisions are recognised when the Group and Company has a present obligation as a result of a past event, and it is probable that the Group and Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the

Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Fair values
The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group and Company at the statement of financial position date approximated their fair values, due to relatively short term nature of these financial instruments.

Trade payables and other non-derivative financial liabilities
Trade payables and other creditors are non-interest bearing and are measured at cost.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

3 Segmental information
In the opinion of the Directors, during the year, the Group had one class of business being the exploration for, and development and production of gold and other related activities.

The Group's primary reporting format was determined by the geographical segment according to the location of the exploration asset. At 31 December 2016, there were four geographic reporting segments: Armenia and USA involved in Gold exploration and development, discontinued operation in Serbia and the United Kingdom & Ireland being the head and administrative offices.

Segment information of the business for the year ending 31 December 2016 is presented below:

	UK & Ireland £'000	USA £'000	Armenia £'000	Discontinued operations £'000	Total £'000
Income statement					
General and administrative expenses	**(314)**	**-**	**(20)**	**(41)**	**(375)**
Share based payments	**(20)**	**-**	**-**	**-**	**(20)**
Impairment charge	**-**	**(168)**	**(2,515)**	**(8)**	**(2,691)**
Group operating loss	**(334)**	**(168)**	**(2,535)**	**(49)**	**(3,086)**
Finance revenue	**3**	**-**	**-**	**-**	**3**
Group loss before tax	**(331)**	**(168)**	**(2,535)**	**(49)**	**(3,083)**
Assets and liabilities					
Segment assets	**371**	**-**	**17**	**-**	**388**
Segment liabilities	**(124)**	**-**	**(33)**	**-**	**(157)**
	247	**-**	**(16)**	**-**	**231**

Segment information of the business for the year ending 31 December 2015 is presented below:

	UK & Ireland £'000	USA £'000	Armenia £'000	Discontinued operations £'000	Total £'000
Income statement					
General and administrative expenses	**(356)**	**-**	**-**	**-**	**(356)**
Share based payments	**(5)**	**-**	**-**	**-**	**(5)**
Impairment charge	**-**	**-**	**-**	**(534)**	**(534)**
Group operating loss	**(361)**	**-**	**-**	**(534)**	**(895)**
Finance revenue	**5**	**-**	**-**	**-**	**5**
Group loss before tax	**(356)**	**-**	**-**	**(534)**	**(890)**
Assets and liabilities					
Segment assets	**940**	**-**	**1,577**	**5**	**2,522**
Segment liabilities	**(47)**	**-**	**-**	**(16)**	**(63)**

	893	**-**	**1,577**	**11**	**2,459**

4 Operating loss

	2016 £'000	2015 £'000
Operating loss is stated after charging/(crediting):		
Directors' emoluments	**125**	172
Services provided by the Company's auditors:		
- Audit fees and expenses	**16**	16
- Tax compliance	**2**	2
- Other services pursuant to legislations	**-**	-
Foreign currency (gain)/loss	**(9)**	3

5 Finance income

	2016 £'000	2015 £'000
Bank interest received	**3**	5

6 Employees

	2016 £'000	2015 £'000
Aggregate Directors' emoluments including consulting fees	**125**	172
Wages and salaries	**34**	-
Social security costs	**13**	-
Total	**172**	172

Including the Directors, the Group's average number of employees during the year was 8 (2015: 5). Including the Directors, the Company's average number of employees during the year was 5 (2015: 5).

7 Income tax benefit / (expense)

No corporation tax charge arises in the year ended 31 December 2016 and the year ended 31 December 2015. A reconciliation of the expected tax benefit computed by applying the tax rate applicable in the primary jurisdiction, the UK, to the loss before tax to the actual tax credit is as follows:

	Group		Company	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Loss on ordinary activities before taxation	**(3,083)**	(890)	**(2,588)**	(346)
Tax at the UK corporation tax rate of 20%	**(617)**	(178)	**(518)**	(69)
Expenses not deductible for tax purposes	**539**	107	**477**	40
Losses unutilised	**64**	49	**41**	29
Differences in overseas taxation rates	**14**	22	**-**	-
Tax on loss on ordinary activities	**-**	-	**-**	-

The Group has estimated tax losses of £3,185,000 (2015: £2,798,000) to carry forward against future taxable profits. The deferred tax asset on these tax losses at 20% amounts to £637,000 (2015: £560,000) and has not been recognised due to the uncertainty of the recovery. Due to the post year end fundamental change in the Company's business following the exit of the mineral exploration industry, tax losses carried forward may not be fully available for use against the future profits of the Group.

8 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:

	2016	2015
Loss after tax attributable to equity holders of the parent from continuing operations (£'000)	**(2,560)**	(356)

Loss after tax attributable to equity holders of the parent from discontinued operations (£'000)	**(49)**	(321)
Loss after tax attributable to equity holders of the parent (£'000)	**(2,609)**	(677)
Weighted average number of ordinary shares in issue	**25,702,809**	16,007,144
Fully diluted average number of ordinary shares in issue	**25,702,809**	16,007,144
Basic and diluted loss per share (pence) - continuing operations	**(10.1)**	(2.2)
Basic and diluted loss per share (pence) - discontinued operations	**(0.2)**	(2.0)
Basic and diluted loss per share (pence)	**(10.3)**	(4.2)

A The ordinary share numbers at 31 December 2016, have been adjusted by a factor of 250 to take into account the 250 to 1 share consolidation that took place on 7 April 2017.

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 31 December 2016 totalled 380,000,000 (2015: 380,000,000) and are potentially dilutive.

9 Exploration and evaluation assets

	GROUP				COMPANY	
	USA £'000	**Armenia £'000**	**Serbia £'000**	**Total £'000**	**USA £'000**	**Total £'000**
Cost						
At 1 January 2015	-	1,311	5,520	6,831	-	-
Additions	-	266	34	300	-	-
At 31 December 2015	-	1,577	5,554	7,131	-	-
Impairment						
At 1 January 2015	-	-	5,020	5,020	-	-
Impairment charge	-	-	534	534	-	-
At 31 December 2015	-	-	5,554	5,554	-	-
Carrying value 31 December 2015	**-**	**1,577**	**-**	**1,577**	**-**	**-**
Cost						
At 1 January 2016	-	1,577	5,554	7,131	-	-
Additions	168	938	8	1,114	168	168
Discontinued operations	-	-	(5,562)	(5,562)	-	-
At 31 December 2016	168	2,515	-	2,683	168	168
Impairment						
At 1 January 2016	-	-	5,554	5,554	-	-
Impairment charge	168	2,515	8	2,691	168	168
Discontinued operations	-	-	(5,562)	(5,562)	-	-
At 31 December 2016	168	2,515	-	2,683	168	168
Carrying value 31 December 2016	**-**	**-**	**-**	**-**	**-**	**-**

As part of the annual impairment review of asset carrying values a charge of £2,515,000 (2015: nil) was recorded in relation to the Mutsk project in Armenia.
As part of the annual impairment review of asset carrying values a charge of £168,000 (2015: nil) was recorded in relation to the Silverton project in USA. During the year, the Company decided to terminate the Deli Jovan project and relinquish the exploration permit.

Annual Impairment Review
The Group's policy in relation to exploration and evaluation expenditure is to capitalise the expenditure when the rights to an area of interest are current, the expenditures are expected to be recouped through successful development and exploitation activities and the operations are current and have not reached such a stage that a reasonable assessment of recoverable reserves can be made.

The Company believes that sufficient information was available at the reporting date (including disappointing exploration results, no substantive expenditure forecast on the assets and a depressed share price) which suggested that the recovery of expenditure on the Mutsk and Silverton areas of interest was unlikely, therefore the amounts which were capitalised in respect of these assets were written off to the statement of comprehensive income.

After year end, at a General Meeting of the Company on 7 April 2017, shareholders approved a change of strategy and an exit from mineral exploration. 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 a result of the above the Directors determined that there were facts and circumstances which indicated at year end that the Group's assets were impaired and accordingly the assets were written off. The actions undertaken by the Company since the year end reflect the resulting impact of the underlying issues which had begun to affect the Group prior to the year end.

10 Business combinations and non-controlling interests

Acquisition of Georaid CJSC

On 31 August 2016, the Group earned a 80% interest in the Armenia company Georaid CJSC following the completion of US$2.5 million (£1,907,000) exploration financing of the Mutsk gold project. At the date of acquisition non-controlling interests have been measured at their proportionate interest in the book values of the subsidiary net assets as adjusted for the accounting policies of the Group (the total subsidiary net assets after accounting policy and fair value adjustments was £2,384,000).

Assets acquired and liabilities assumed:

	At date of acquisition £'000
Assets	
Exploration and evaluation assets (see note below)	2,390
Cash and cash equivalents	11
Trade and other receivables	18
Total assets	2,419
Liabilities	
Trade and other payables	35
Total liabilities	35
Total net assets	2,384
Non-controlling interest	477
Purchase consideration	**1,907**

At the acquisition date a fair value uplift was made to the exploration and evaluation assets, which resulted in a total value of £2,390,000 at the acquisition date, to reflect the value of the Group's investment in the Mutsk gold project.

An additional £125,000 of exploration expenditure was incurred to 31 December 2016 on the Mutsk gold project after the 80% earn-in date. As the Company's partners on the project have not contributed to this expenditure as is required to maintain their 20% interest in the project, Orogen's interest in the project increased to approximately 82% by the year end. Shares in Georaid CJSC for the increased interest in the project have not yet been issued to Orogen.

11 Discontinued operations

Serbian gold exploration operations

On 8 September 2016, a liquidation process commenced for Deli Jovan Exploration d.o.o. a 60% owned Serbian subsidiary of the Company. All results and cash flows of the subsidiary for the year ended 31 December 2015 have been reclassified as discontinued.

Orogen Gold (Serbia) Limited holds the Group's 60% interest in Deli Jovan Exploration d.o.o. It doesn't have any other activities. All results and cash flows of the subsidiary for the year ended 31 December 2015 have been reclassified as discontinued.

Armenia and USA gold exploration operations

On 21 March 2017, the Company announced its proposals to dispose of the Company's mineral exploration interests and change the Company's business strategy. At a general meeting on the 7 April 2017, the Company's shareholders approved resolutions for a change of strategy resulting in the Company being classified as an AIM Rule 15 cash shell. 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. The Board does not believe that all the conditions to classify the Armenian and USA gold exploration operations as discontinued and available for sale were met at 31 December 2016. Therefore, these operations have been included as continuing at 31 December 2016.

Results for discontinued operations:

As indicated above, the liquidation process for Deli Jovan Exploration d.o.o. commenced in 2016. As a consequence of this, the results and cash flows of the subsidiary and its holding Company, Orogen Gold (Serbia) Limited, for the year ended 31 December 2015 have been reclassified as discontinued.

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Revenue	**-**	-	**3**	11
General and administrative costs	**(41)**	-	**(66)**	-
Impairment charges	**(8)**	(534)	**-**	(200)
Loss on discontinued operations before tax	**(49)**	(534)	**(63)**	(189)
Tax	**-**	-	**-**	-
Loss for the period from discontinued operations	**(49)**	(534)	**(63)**	(189)

Loss per share from discontinued operations:

	2016	2015
	Pence	Pence
Loss per share from discontinued operations:		
Basic and diluted [A]	**(0.2)**	(2.0)

[A] The share number used in the LPS calculation is the post period end share consolidation amount - see note 16 for details.

The net cash flows incurred are as follows:

	Group	
	2016	2015
	£'000	£'000
Operating	**(11)**	(14)
Investing	**(4)**	(26)
Financing	**-**	-
Net cash (outflow)/inflow	**(15)**	(40)

12 Property, plant and equipment - Group

	Freehold Land £'000	Office and Field Equipment £'000	Total £'000
Cost			
At 1 January 2015	2	2	4
Additions	-	-	-
At 31 December 2015	2	2	4
Accumulated depreciation			
At 1 January 2015	-	1	1
Additions	-	1	1
At 31 December 2015	-	2	2
Carrying value 31 December 2015	**2**	**-**	**2**
Cost			

At 1 January 2016	2	2	4
Discontinued operations	(2)	(2)	(4)
At 31 December 2016	-	-	-
Accumulated depreciation			
At 1 January 2016	-	2	2
Discontinued operations	-	(2)	(2)
At 31 December 2016	-	-	-
Carrying value 31 December 2016	**-**	**-**	**-**

13 Non-current assets

Investments in subsidiaries and associates:

	Group		**Company**	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Cost as at 1 January	**-**	-	**9,102**	8,689
Additions	**--**	--	**-234**	413
Cost at 31 December	**--**	--	**-9,336**	9,102
Impairment as at 1 January	**-**	-	**7,039**	6,839
Impairment charge	**-**	-	**2,197**	200
Impairment at 31 December	**-**	-	**9,236**	7,039
Carrying value as at 31 December	**-**	-	**100**	2,063

Break down of carrying value of investment:

	Group		**Company**	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Emotion Fitness Mag Kft - investment	**-**	339	**-**	339
Emotion Fitness Mag Kft -impairment	**-**	(339)	**-**	(339)
Medavinci Gold Limited - investment	**-**	-	**3,370**	3,370
Medavinci Gold Limited - impairment	**-**	-	**(3,370)**	(3,370)
Investments	**-**	-	**-**	-
Medavinci Gold Limited - loan	**-**	-	**5,627**	5,393
Medavinci Gold Limited - loan provision	**-**	-	**(5,527)**	(3,330)
Loans to subsidiaries	**-**	-	**100**	2,063
Total non-current assets	**--**	--	**-100**	2,063

As part of the annual impairment review of asset carrying values a charge of £2,197,000 (2015: £200,000) was recorded in relation to the Company's intercompany receivable from Medavinci Gold Limited. This follows the review of the carrying value of all exploration assets (see note 9). Medavinci Gold Limited operates as a holding company of Orogen Gold Limited an Irish registered company with gold exploration interests in Armenia.

Emotion Fitness Mag Kft

The Group's investment in Emotion Fitness Mag Kft (a Hungarian registered company) represents a 47% interest in that company. Emotion Fitness Mag Kft discontinued the operation of a fitness centre from its Budapest premises in 2011. The Directors consider it is unlikely that the Company will recover any value from this investment and accordingly have fully impaired the value of the investment.

Subsidiary companies	Incorporation	Holding	Type of share held	**% Holding[1] 2016**	% Holding[1] 2015
Deli Jovan Exploration d.o.o.	Serbia	Indirect	Ordinary shares	**-**	60
Medavinci Gold Limited	UK	Direct	Ordinary shares	**100**	100
Emotion Fitness Limited	UK	Direct	Ordinary shares	**100**	100
Orogen Gold Limited	Ireland	Indirect	Ordinary shares	**100**	100
Orogen Gold (Serbia) Limited	Ireland	Indirect	Ordinary shares	**100**	100
Orogen Gold (Armenia) Limited	Ireland	Indirect	Ordinary shares	**100**	100
Georaid CJSC	Armenia	Indirect	Ordinary shares	**80**	-

[1] Percentage of share type held and overall voting rights

List of registered offices:

Company	Registered Office Address
Deli Jovan Exploration d.o.o.	~~Ustanička 128 a, Beograd-Voždovac~~
Medavinci Gold Limited	Finsgate, 5-7 Cranwood Street, London, EC1V 9EE
Emotion Fitness Limited	Finsgate, 5-7 Cranwood Street, London, EC1V 9EE
Orogen Gold Limited	18 Fitzwilliam Place, Dublin 2
Orogen Gold (Serbia) Limited	18 Fitzwilliam Place, Dublin 2
Orogen Gold (Armenia) Limited	18 Fitzwilliam Place, Dublin 2
Georaid CJSC	8H.Qochar,apt.16, Yerevan

14 Trade and other receivables

	Group		Company	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
VAT recoverable	**15**	16	**10**	5
Other receivables and prepayments	**31**	6	**22**	4
Receivables from Group Companies	**-**	-	**30**	52
Trade and other receivables	**46**	22	**62**	61

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

15 Cash and cash equivalents

	Group		Company	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Cash at bank	**342**	921	**64**	301
Cash and cash equivalents	**342**	921	**64**	301

16 Share capital

Details of ordinary shares issued are in the table below:

Ordinary Shares (£0.001)

Date	Details	Number of shares	Issue Price £	Total Share Capital £'000	Total Share Premium £'000
At 1 Jan 2015	Opening Balance	**3,560,432,183**		**356**	**11,827**
27 Jan 2015	Mutsk continuation notice	110,886,804	0.000597	11	55
25 Mar 2015	Drill for equity agreement	36,350,350	0.002	4	69
30 Oct 2015	Share placing - £450,000	1,800,000,000	0.00025	180	230
At 31 Dec 2015		**5,507,669,337**		**551**	**12,181**
9 Aug 2016	Share placing - £350,000	2,333,333,333	0.00015	233	87
At 31 Dec 2016		**7,841,002,670**		**784**	**12,268**

Details of deferred shares issued are in the table below:

Deferred Shares (£0.009)

Date	Number of shares	Total Share Capital £'000	Total Share Premium £'000
At 1 Jan 2015, 31 Dec 2015 and 31 Dec 2016	**429,643,035**	**3,867**	**-**

On 7 April 2017, every 250 existing ordinary shares of par value 0.01p in the Company at close of business on 7 April 2017 became 1 new ordinary share of par value 0.01p and 249 new deferred shares of par value 0.01p. The rights attaching to the new ordinary shares of 0.01p will be identical in all respects to those of the old ordinary shares of 0.01p.

Similar to the old deferred shares of 0.9p each, the new deferred shares of 0.01p created are effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of new ordinary shares of 0.01p each have received a payment of £10,000,000 on each such share. The new deferred shares are not and will not be listed or traded on AIM or any other investment exchange and are only transferable in limited circumstances.

17 Share based payments

The Group has a share ownership compensation scheme for senior executives of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous general meeting, senior executives may be granted options to purchase ordinary shares in the Company.

The Group has on occasion issued warrants, or share options to third parties by way of settlement of liabilities to strategic suppliers and consultants. Each share option converts into one ordinary share of Orogen plc upon exercise. No amounts are paid or payable by the recipient of the option for the option. The options carry neither rights to dividends nor voting rights at shareholders meetings.

	2016		2015	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
Balance at 1 January	**380,000,000**	**0.369p**	225,000,000	0.68p
Lapsed during the year	**-**	**-**	(25,000,000)	0.80p
Issued during the year	**-**	**-**	180,000,000	0.035p
Balance at 31 December [B]	**380,000,000**	**0.369p**	380,000,000	0.369p
Exercisable at 31 December	**200,000,000**	**0.60p**	200,000,000	0.60p

[A] See note 16 in relation to the post year end share reorganisation. All existing rights attached to share options were amended to reflect the new share structure. The rights are now over new ordinary shares of 0.01p, with the original units divided by a factor of 250 and the original exercise price increased by a factor of 250.

[B] 300,000,000 of these options lapsed on 7 April 2017 following the board changes that were effective on that date as a result of the change of company strategy.

The fair value of equity based share options granted is estimated at the date of grant using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options have been granted. The calculated fair value of share options and warrants charged to the Group and Company financial statements in the year is £20,000 (2015: £5,000). The total fair value of the share options granted during 2015 is £41,000.

The following are the inputs to the model for the options granted during the prior year:

	Share Options 2015
Strike price	0.035p
Total units	180,000,000
Underlying asset price	0.035p
Time (days)	2,555
Volatility	110%
Interest rate p.a.	1.25%

[A] See note 16 in relation to the post year end share reorganisation.

18 Retained earnings

	Group		**Company**	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Opening balance	**(14,765)**	(14,088)	**(14,860)**	(14,514)
Loss for the year	**(2,609)**	(677)	**(2,588)**	(346)
Transfer from share based payment reserve	**7**	-	**7**	-
Closing balance	**(17,367)**	(14,765)	**(17,441)**	(14,860)

In accordance with the provisions of the Companies Act 2006, the Company has not presented a statement of profit or loss and other comprehensive income. The Company's loss for the year was £2,588,000 (2015: loss £346,000).

19 Trade and other payables

	Group		Company	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Trade payables	**15**	8	**13**	6
Accruals and deferred income	**126**	42	**93**	36
Amounts due to Directors	**16**	13	**8**	8
Payable to Group Companies	**-**	-	**24**	39
Trade and other payables	**157**	63	**138**	89

Amounts due to Directors are unsecured, interest free and are current liabilities.

20 Related party transactions
See the Directors report for details of remuneration of Directors.

Shares purchased by Directors
Shares in Orogen plc were acquired by the Directors of the Company as part of share placings as follows:

	Subscription shares October 2015
Colin Bird	100,000,000
Adam Reynolds	25,000,000
Ed Slowey	25,000,000
Alan Mooney	25,000,000
Michael Nolan	25,000,000
Total	**200,000,000**

A See note 16 in relation to the post year end share reorganisation.

There were no shares purchased via share placings by directors during 2016.

Other transactions with Directors
The following amounts were charged during the year to the Company by entities related to the Directors:

	2016 £'000	**2015 £'000**
Office facilities and administration	**10**	9
Total	**10**	9

Office facilities and administration costs include £10,000 (2015: £9,000) in relation to office licence fees. The office licence fees were charged on an arm's length basis.

Silverton Agreement with Galileo Resource plc ("Galileo")
In June 2016, Orogen executed an earn-in agreement with Galileo covering the Silverton gold-silver property in Nevada, USA ("Silverton"). Under the earn-in agreement Orogen secured the right to earn-in to an initial 51% interest in Silverton by spending US$400,000 within 18 months and thereafter the possibility to spend an additional US$1,500,000 within 30 months to earn-in a further 24% interest. At the time of the transaction, Colin Bird was a director of both Galileo and Orogen and had shareholdings of 24.81% and 1.82% respectively.

Parent transactions with Group companies
During the year the Company advanced £234,000 (2015: £413,000) to Medavinci Gold Limited by way of intercompany loans for exploration activities. The balance outstanding from Medavinci Gold Limited at 31 December 2016 is £5,627,000 (2015: £5,393,000). The Company made a provision of £2,197,000 (2015: £200,000) against this receivable in the current year (see note 13). The intercompany loans are interest free and unsecured.

As at the 31 December 2016 the Company had trade receivable balances of £30,000 (2015: £51,000) with Orogen Gold (Armenia) Limited and nil (2015: £1,000) with Orogen Gold (Serbia)

Limited. Intercompany trade receivable balances are payable within 30 days of the invoice date. The Company's total intercompany income for the year was £144,000 (2015: £181,000).

As at the 31 December 2016 the Company had a trade payable balance of £24,000 (2015: £39,000) with Orogen Gold Limited. Intercompany trade payable balances are payable within 30 days of the invoice date. The Company's total intercompany recharges incurred for the year was £106,000 (2015: £150,000).

21 Financial instruments - risk management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular updates from the management team through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Company's operations expose it to some financial risks arising from its use of financial instruments, the most significant ones being cash flow interest rate risk, foreign exchange risk, liquidity risk and capital risk. Further details regarding these policies are set out below:

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group are proactively managed in order to ensure that attractive rates of interest are received for the available funds but without affecting the working capital flexibility the Group requires. The Group is not at present exposed to cash flow interest rate risk on borrowings as it has no debt. No subsidiary company of the Group is permitted to enter into any borrowing facility or lease agreement without the prior consent of the Company.

Interest rates on financial assets

The Group's financial assets consist of cash and cash equivalents, loans, trade and other receivables. The interest rate profile of these assets was as follows:

	Total **£'000**	Financial assets on which interest is earned £'000	Financial assets on which interest in not earned £'000
31 December 2016			
UK Sterling	**264**	184	80
Euro	**29**	-	29
US Dollar	**88**	61	27
Other currencies	**7**	1	6
	388	246	142
31 December 2015			
UK Sterling	**897**	588	309
Euro	**25**	-	25
US Dollar	**19**	19	-
Other currencies	**2**	-	2
	943	607	336

The Group earned interest on its interest bearing financial assets at rates between 0.05% and 0.75% (2015: 0.05% and 0.9%) during the year.

A change in interest rates on the statement of financial position date would increase/ (decrease) the equity and the anticipated annual income or loss by the theoretical amounts presented below. The analysis is made on the assumption that the rest of the variables remain constant. The analysis with respect to 31 December 2015 was prepared under the same assumptions.

	2016		2015	
	Increase in 1% £'000	**Decrease of 1% £'000**	Increase in 1% £'000	Decrease of 1% £'000
Instruments bearing interest	**7**	**(7)**	6	(6)

It is considered that there have been no significant changes in cash flow interest rate risk at the reporting date compared to the previous year end and that therefore this risk has had no material impact on earnings or shareholders' equity.

Foreign exchange risk
Foreign exchange risk may arise because the Group has operations located in various parts of the world where the local currency is not the same as the functional currency in which the Company operates.

Only in exceptional circumstances will the Group consider hedging its net investments in overseas operations, as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques. It is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible and that surplus funds over and above immediate working capital requirements are held in Sterling deposits.

The Group considers this policy minimises any unnecessary foreign exchange exposure. In order to monitor the continuing effectiveness of this policy the Board through their approval of both corporate and capital expenditure budgets and review of the currency profile of cash balances and management accounts, considers the effectiveness of the policy on an on-going basis.

The following table discloses the major exchange rates of those currencies utilised by the Group:

Foreign currency units to £1 UK Sterling (rounded)	**EUR**	**USD**
Average 2016	1.225	1.351
At 31 December 2016	1.174	1.235
Average 2015	1.374	1.528
At 31 December 2015	1.357	1.480

(EUR = Euro and USD = United States Dollar)

Liquidity risk
Liquidity risk arises from the Group's management of working capital; it is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The principal obligations of the Group arise in respect of committed expenditure in respect of its on-going exploration work. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its obligations when they become due. To achieve this aim, it seeks to maintain readily available cash balances (or agreed facilities) to meet expected requirements and to raise new equity finance to meet the next phase of exploration and where relevant development expenditure.

The Board receives cash flow projections on a monthly basis as well as information on cash balances. The Board will not commit to material expenditure in respect of its on-going exploration work prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes. For cash and cash equivalents, the Company only uses recognised banks with medium to high credit ratings.

Capital risk
The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to

maintain an optimal capital structure to reduce the cost of capital.

22 Capital commitments and contingencies

Capital Commitments

Following the approval of the change in strategy on 7 April 2017, Orogen will withdraw from mineral exploration and will not commit further substantial expenditure on its exploration assets in the meantime. All costs incurred to 31 December 2016 in respect of the Company's work programmes have been accrued for. Going forward the Group has liabilities in respect of general overheads in relation to its exploration projects, £50,000 in the period to 7 April 2017, and has decided to cap further expenditure, after the change of strategy date, on its mineral exploration projects at £75,000 whilst buyers are sought for the Company's interest in these assets. The Company estimates that total future costs in relation to mineral exploration after 31 December 2016 should not exceed £125,000 in aggregate.

Contingent liabilities

Georaid CJSC ("Georaid") Mutsk Gold Project Joint Venture Agreement

Under the Joint Venture Agreement with Georaid if a positive bankable feasibility study is obtained on the Mutsk gold project, then Orogen will issue ordinary shares in the Company to the former Georaid principals to the value of US$300,000. The US$300,000 share based payment is contingent on the Company (1) exercising its option to acquire an 80% interest in the project (this option was exercised in August 2016); (2) the project partners undertaking further substantial exploration work on the project and (3) a feasibility study being commissioned which is both positive in its outcome and bankable.

23 Events after the reporting period

Change of Name and Strategy

On 7 April 2017 at a general meeting of the Company, Orogen shareholders voted to adopt resolutions to effect a change of strategy and to change the name of the Company from Orogen Gold plc to Orogen plc. Trading on AIM commenced under the new Company name on 10 April 2017.

The decision to cease the Company's mineral exploration activities represents a fundamental change of business under Rule 15 of the AIM Rules. The Company is deemed to be an AIM 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 7 April 2017 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.

Capital Restructuring and Issue of Shares

On 7 April 2017, every 250 existing ordinary shares of par value 0.01p in the Company at close of business on 7 April 2017 became 1 new ordinary share of par value 0.01p and 249 new deferred shares of par value 0.01p. The rights attaching to the new ordinary shares of 0.01p will be identical in all respects to those of the old ordinary shares of 0.01p.

On 7 April 2017 the Company raised gross proceeds of approximately £3.47 million, through an open offer, placing and second placing which added 231,364,011 ordinary shares to the 31,364,011 ordinary shares in existence after the capital reorganisation.

Directorate Changes

Following the general meeting on 7 April 2017, Colin Bird, Edward Slowey, Michael Nolan and Alan Mooney resigned from the Board and Steven Metcalfe and Mark Collingbourne were appointed as directors of the Company with immediate effect.

Issue of Equity

On 3 May 2017, the Company issued 2,000,000 new ordinary shares of 0.01p at 1.5p in settlement of professional fees. Following the issue of the new ordinary shares, the total number of ordinary shares in issue is 264,728,022.

Silverton Agreement Withdrawal

On 8 May 2017, Orogen issued formal notice to Galileo Resources plc of its withdrawal from the Silverton Agreement. As permitted under the agreement, Orogen has withdrawn without recourse with all interests in the Silverton property reverting back to Galileo.

Suspension, Loan and Potential Acquisition

On the 26 May 2017, the Company announced that it had agreed heads of terms with Thread 35 Limited ("Thread") to acquire Thread's entire issued share capital, subject to certain conditions and due diligence. Thread operates an e-commerce womenswear brand under the brand name "Sosandar". This acquisition would constitute a reverse transaction under the AIM Rules. Consequently, the Company has requested that trading in its shares is temporarily suspended, pending either the publication of an admission document or until the proposed acquisition negotiations are terminated.

As part of the proposed transaction Orogen has made a secured loan of up to £250,000 ("Loan") to Thread. The Loan is interest free and may be drawn down in two tranches. The first tranche of £100,000 may be drawn down immediately, whilst the second tranche may only be drawn down on the condition that letters of intent are obtained by the Company from Thread's shareholders to accept the terms of an offer to acquire their shares. On 14 June 2017, the second tranche of the Loan was drawn down.

END

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