



Orogen PLC - ORE Half-year Report
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Orogen PLC
22 September 2017

Orogen plc
("Orogen" or the "Company")
Half Yearly Results

Financials

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

Strategy

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

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

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

The decision to cease the Company's mineral exploration activities represents a fundamental change of business under Rule 15 of the AIM Rules, a consequence of which is that the Company was deemed to be a Rule 15 Cash Shell which means that the Company must make an acquisition

or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules within six months of the general meeting, otherwise the trading of the Company's shares on AIM will be suspended.

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

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

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

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

ADAM REYNOLDS

Non-Executive Chairman

22 September 2017

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

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

Consolidated statement of financial position
As at 30 June 2017

	Notes	Unaudited 30 June 2017 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Assets				
Non-current assets				
Exploration and evaluation assets	4	-	1,670	-
Property, plant and equipment		-	2	-
Total non-current assets		-	1,672	-
Current assets				
Trade and other receivables		423	27	46
Cash and cash equivalents	5	2,703	652	342
Total current assets		3,126	679	388
Total assets		3,126	2,351	388
Equity and liabilities				
Equity				
Share capital	6	4,884	4,418	4,651
Share premium		15,535	12,181	12,268
Other reserves		678	635	676
Retained earnings		(18,103)	(14,936)	(17,367)
Equity attributable to owners of the parent		2,994	2,298	228
Non-controlling interests		3	-	3
Total equity		2,997	2,298	231
Current liabilities				
Trade and other payables		129	53	157
Total current liabilities		129	53	157
Total liabilities		129	53	157
Total equity and liabilities		3,126	2,351	388
Cash flows from operating activities				
Group operating loss		(733)	(173)	(3,086)
Share based payments		-	10	20
(Increase)/decrease in trade and other receivables		(323)	(5)	91
Decrease in trade and other payables		(83)	(10)	(32)
Impairment of exploration and evaluation assets	4	96	9	2,691
Profit on disposal of subsidiary		-	-	(25)
Net cash flow from operating activities		(1,043)	(169)	(341)
Cash flow from investing activities				
Expenditure on exploration and evaluation assets and project earn-ins	4	(96)	(102)	(568)
Outflow on disposal of subsidiary		-	-	(4)
Inflow on acquisition of subsidiary		-	-	11
Interest received		-	2	3
Net cash flow from investing activities		(96)	(100)	(558)
Cash flow from financing activities				
Net proceeds from issue of equity instruments	6	3,500	-	320
Net cash flow from financing activities		3,500	-	320
Net change in cash and cash equivalents		2,361	(269)	(579)

Net foreign exchange difference		-	-	-
Cash and cash equivalents at beginning of period	5	342	921	921
Cash and cash equivalents at end of period	5	2,703	652	342

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 January 2016	4,418	12,181	597	(14,765)	28	2,459	-	2,459
Loss for the period	-	-	-	(171)	-	(171)	-	(171)
Share based payments	-	-	10	-	-	10	-	10
Balance at 30 June 2016	4,418	12,181	607	(14,936)	28	2,298	-	2,298
Balance at 1 July 2016	4,418	12,181	607	(14,936)	28	2,298	-	2,298
Loss for the period	-	-	-	(2,431)	-	(2,431)	3	(2,428)
Issue of share capital	233	87	-	-	-	320	-	320
Foreign exchange translation reserve	-	-	-	-	38	38	-	38
Share based payments	-	-	3	-	-	3	-	3
Balance at 31 December 2016	4,651	12,268	610	(17,367)	66	228	3	231
Balance at 1 January 2017	4,651	12,268	610	(17,367)	66	228	3	231
Loss for the period	-	-	-	(733)	-	(733)	-	(733)
Issue of share capital	233	3,267	-	-	-	3,500	-	3,500
Foreign exchange translation reserve	-	-	-	-	(1)	(1)	-	(1)
Balance at 30 June 2017	4,884	15,535	610	(18,100)	65	2,994	3	2,997

1 General information

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

The Mutsk gold exploration project in Armenia is the Company's main operational project and the Silverton project in Nevada, USA was added to the exploration portfolio in April 2016. The company is now classified as an AIM rule 15 cash shell.

2 Basis of preparation

The financial information for the six months ended 30 June 2017 and 30 June 2016 is unaudited.

The Interim Report has been prepared using the same accounting policies as were applied in the Group's audited financial statements to 31 December 2016, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). As is permitted by the AIM rules the Directors have not adopted the requirements of IAS34 "Interim Financial Reporting" in preparing the financial statements. Accordingly, the financial statements are not in full compliance with IFRS and have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. The Directors consider that the financial information presented in this Interim Report represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS. The Interim Report for the six months ended 30 June 2017 was approved by the Directors on 21 September 2017.

The financial information presented for the period ended 31 December 2016 is an extraction from the Group's audited accounts on which the auditors issued an unqualified report. The information presented does not constitute full accounts for that period.

3 Loss per share

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

	Unaudited 30 June 2017 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Loss after tax attributable to equity holders of the parent	(732)	(171)	(2,609)
Weighted average number of ordinary shares in issue (millions)	134,626	22,030	25,702
Basic and diluted loss per share (pence)	(0.544)	(0.776)	(10.3)

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. The share options outstanding as at 30 June 2017 totalled 380,000,000 (30 June 2016: 380,000,000, 31 December 2016: 380,000,000) and are potentially dilutive.

4 Exploration and evaluation assets

	Armenia £'000	Silverton £'000	Serbia £'000	Total £'000
Cost				
At 1 January 2016	1,577	-	5,554	7,131
Additions	87	6	9	102
At 30 June 2016	1,664	6	5,563	7,233
Impairment				
At 1 January 2016	-	-	5,554	5,554
Impairment charge	-	-	9	9
At 30 June 2016	-	-	5,563	5,563
Carrying value 30 June 2016	1,664	6	-	1,670
Cost				
At 1 July 2016	1,664	6	5,563	7,233
Additions	851	162	-	1,013
Discontinued operations	-	-	(5,563)	(5,563)
At 31 December 2016	2,515	168	-	2,683
Impairment				
At 1 July 2016	-	-	5,563	5,563
Impairment charge	2,515	168	-	2,683
Discontinued operations	-	-	(5,563)	(5,563)
At 31 December 2016	2,515	168	-	2,683
Carrying value 31 December 2016	-	-	-	-
Cost				
At 1 January 2017	2,515	168	-	2,683
Additions	-	-	96	96
At 30 June 2017	2,515	168	96	2,779
Impairment				
At 1 January 2017	2,515	168	-	2,683
Impairment charge	-	-	96	96
At 30 June 2017	2,515	168	96	2,779
Carrying value 30 June 2017	-	-	-	-

5 Cash and cash equivalents

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

6 Share capital

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

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

7 Subsequent events

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

8 Copy of the Interim Report

Copies of the Interim Report are available to download from the Company's website at www.orogen.co.uk.

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