

**Ovoca Gold plc**  
**Interim results for the six months ended 30 June 2016**

**CONSOLIDATED INCOME STATEMENT**

	Unaudited 6 Months ended 30/06/2016 €'000	Unaudited 6 Months ended 30/06/2015 €'000	Unaudited 6 Months ended 30/06/2016 \$'000	Unaudited 6 Months ended 30/06/2015 \$'000
Administration expenses	(654)	(582)	(730)	(649)
Other losses	(1,618)	(873)	(1,806)	(975)
<b>Operating loss</b>	<b>(2,272)</b>	<b>(1,455)</b>	<b>(2,536)</b>	<b>(1,624)</b>
Finance costs	(6)	(5)	(6)	(5)
Finance income	122	417	136	465
<b>Loss for the period before tax</b>	<b>(2,156)</b>	<b>(1,043)</b>	<b>(2,406)</b>	<b>(1,164)</b>
Income tax	-	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(2,156)</b>	<b>(1,043)</b>	<b>(2,406)</b>	<b>(1,164)</b>
<b>Loss for the period</b>	<b>(2,156)</b>	<b>(1,043)</b>	<b>(2,406)</b>	<b>(1,164)</b>
Attributable to:				
Owners of the parent	(2,156)	(1,043)	(2,406)	(1,164)
	<b>(2,156)</b>	<b>(1,043)</b>	<b>(2,406)</b>	<b>(1,164)</b>

**Loss per share**

Basic loss per share from continuing operations	(2.64) cents	(1.25) cents	(2.95) cents	(1.39) cents
Fully diluted loss per share from continuing operations	(2.64) cents	(1.25) cents	(2.95) cents	(1.39) cents

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited 6 Months ended 30/06/2016 €'000	Unaudited 6 Months ended 30/06/2015 €'000	Unaudited 6 Months ended 30/06/2016 \$'000	Unaudited 6 Months ended 30/06/2015 \$'000
Loss for the period	(2,156)	(1,043)	(2,406)	(1,164)
<b>Other comprehensive income/(expense):</b>				
Movement on available for sale financial assets	9,566	-	10,681	-
Exchange movement	(1,001)	1,641	(815)	(242)
<b>Total comprehensive profit/(loss) for the period</b>	<b>6,409</b>	<b>598</b>	<b>7,460</b>	<b>(1,406)</b>

There is no income tax impact in respect of components recognised within the consolidated statement of comprehensive income.

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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital €'000	Share based payment reserve €'000	Other reserves €'000	Foreign Currency Translation Reserve €'000	Retained earnings €'000	Total (attributable to owners of the parent) €'000
<b>Unaudited</b>						
<b>At 1 January 2016</b>	11,057	1,294	11	6,464	2,625	21,451
<b>Comprehensive income:</b>						
Loss for the period	-	-	-	-	(2,156)	(2,156)
<b>Other comprehensive income</b>						
Gain on available for sale financial assets	-	-	9,566	-	-	9,566
Exchange movement	-	-	-	(1,001)	-	(1,001)
<b>Total comprehensive income</b>	-	-	9,566	(1,001)	(2,156)	6,409
<b>At 30 June 2016</b>	11,057	1,294	9,577	5,463	469	27,860
<b>Audited</b>						
<b>At 1 January 2015</b>	11,057	1,294	11	4,703	5,394	22,459
<b>Comprehensive income:</b>						
Loss for the period	-	-	-	-	(2,222)	(2,222)
<b>Other comprehensive income</b>						
Exchange movement	-	-	-	1,761	-	1,761
<b>Total comprehensive income</b>	-	-	-	1,761	(2,222)	(461)
<b>Total transactions with owners</b>	-	-	-	-	(547)	(547)
<b>At 31 December 2015</b>	11,057	1,294	11	6,464	2,625	21,451

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited 30/06/2016 €'000	Audited 31/12/2015 €'000	Unaudited 30/06/2016 \$'000	Audited 31/12/2015 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Inventories	54	46	60	51
Trade and other receivables	45	62	49	68
Loans and receivables	-	678	0	741
Cash and cash equivalents	7,506	7,340	8,319	8,019
	<b>7,605</b>	<b>8,126</b>	<b>8,428</b>	<b>8,879</b>
<b>Non current assets</b>				
Property, plant and equipment	1,318	1,331	1,850	1,824
Available for sale financial assets	19,214	12,263	21,294	13,398
	<b>20,532</b>	<b>13,594</b>	<b>23,144</b>	<b>15,222</b>
<b>Total assets</b>	<b>28,137</b>	<b>21,720</b>	<b>31,572</b>	<b>24,101</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	277	269	306	294
	<b>277</b>	<b>269</b>	<b>306</b>	<b>294</b>
<b>Total liabilities</b>	<b>277</b>	<b>269</b>	<b>306</b>	<b>294</b>
<b>Net assets</b>	<b>27,860</b>	<b>21,451</b>	<b>31,266</b>	<b>23,807</b>
<b>Equity</b>				
Ordinary shares	11,057	11,057	15,586	15,586
Other reserves	9,577	11	10,697	16
Foreign currency translation reserve	5,463	6,464	1,490	2,305
Share based payment reserve	1,294	1,294	1,759	1,759
Profit and loss account	469	2,625	1,734	4,141
	<b>27,860</b>	<b>21,451</b>	<b>31,266</b>	<b>23,807</b>

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 30/06/2016 €'000	Unaudited 30/06/2015 €'000	Unaudited 30/06/2016 \$'000	Unaudited 30/06/2015 \$'000
<b>Cash flows from operating activities</b>				
Net loss for the period before tax	(2,156)	(1,043)	(2,406)	(1,164)
Foreign currency reserve movement	(1,001)	1,641	(815)	(242)
Unrealised gain/(loss) on available for sale financial assets	9,566	(46)	10,681	1,170
Depreciation	18	23	20	26
Net finance income	(116)	(412)	(130)	(460)
(Increase)/decrease in inventories	(8)	(7)	(9)	(2)
Decrease/(increase)in trade and other receivables	17	(9)	19	(5)
Increase/(decrease) in trade and other payables	8	(3)	12	(33)
<b>Net cash flow from operating activities</b>	<b>6,328</b>	<b>144</b>	<b>7,372</b>	<b>(710)</b>
<b>Cash flow from financing activities</b>				
Net interest received	116	412	130	460
<b>Net cash flow from financing activities</b>	<b>116</b>	<b>412</b>	<b>130</b>	<b>460</b>
<b>Cash flows from investing activities</b>				
Expenditure on property, plant & equipment	(5)	-	(46)	-
Unrealised gain on available for sale financial assets	(6,951)	-	(7,896)	-
Payment to acquire treasury shares	-	(547)	-	(607)
Receipts of loans and receivables	678	112	741	216
<b>Net cash flow from investing activities</b>	<b>(6,278)</b>	<b>(435)</b>	<b>(7,201)</b>	<b>(391)</b>
Net increase in cash and cash equivalents	166	121	300	(641)
Cash and cash equivalents at the beginning of period	7,340	7,294	8,019	8,866
<b>Cash and cash equivalents at the end of the period</b>	<b>7,506</b>	<b>7,415</b>	<b>8,319</b>	<b>8,225</b>

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**1 Basis of Preparation**

The interim consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

**2 Accounting Policies**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

The adoption of other new standards and interpretations (as set out in the 2015 Annual Report) that became effective for the Group's financial statements for the year ended 31 December 2015 did not have any significant impact on the interim financial statements.

**3 Going concern**

The directors have reviewed the current state of the group's finances, taking into account resources currently available. The directors are satisfied that sufficient funding will be available to the group to enable it to trade for the foreseeable future. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis. The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. The financial statements do not include any adjustments that would result if the Director's plans were not successful.

**4 Segmental reporting**

Segment information is presented in accordance with IFRS 8 – Operating Segments with effect from 1 January 2010. Comparative information is presented on a consistent basis.

At 30 June 2016, the Group had two business segments, Exploration activities and Investment. Exploration activities are primarily carried out by a number of subsidiary companies based in Russia. Investing activities are carried out by another subsidiary company located in Bermuda. Unallocated costs represent group administration costs, primarily incurred in Ireland.

Period ended 30 June 2016	Exploration	Investment	Unallocated	Total	Exploration	Investment	Unallocated	Total
	Activities				Activities			
	€'000	€'000	€'000	€'000	US\$'000	US\$'000	US\$'000	US\$'000
Administration expenses	(71)	(230)	(353)	(654)	(79)	(257)	(394)	(730)
Other gains and losses	1	(1,807)	188	(1,618)	-	(2,016)	210	(1,806)
Operating loss	(70)	(2,037)	(165)	(2,272)	(79)	(2,273)	(184)	(2,536)
Finance costs	-	(3)	(3)	(6)	-	(3)	(3)	(6)
Finance income	-	122	-	122	-	-	136	136
Loss before tax	(70)	(1,918)	(168)	(2,156)	(79)	(2,276)	(51)	(2,406)
Segment assets	1,382	25,899	856	28,137	1,921	28,702	948	31,571
Segment liabilities	(11)	-	(266)	(277)	(12)	-	(294)	(306)
Net assets	1,371	25,899	590	27,860	1,909	28,702	655	31,266

Period ended 30 June 2015	Exploration	Investment	Unallocated	Total	Exploration	Investment	Unallocated	Total
	Activities				Activities			
	€'000	€'000	€'000	€'000	US\$'000	US\$'000	US\$'000	US\$'000
Administration expenses	(73)	(237)	(272)	(582)	(82)	(265)	(302)	(649)
Other gains and losses	(80)	263	(1,056)	(873)	(89)	294	(1,179)	(975)
Operating profit/(loss)	(153)	26	(1,328)	(1,455)	(171)	29	(1,481)	(1,624)
Finance costs	-	(3)	(2)	(5)	-	(3)	(2)	(5)
Finance income	-	414	3	417	-	462	3	465
Profit/loss before tax	(153)	437	(1,327)	(1,043)	(171)	488	(1,480)	(1,164)
Segment assets	3,017	18,721	1,067	22,805	3,445	21,374	1,218	26,037
Segment liabilities	(2)	-	(293)	(295)	(2)	-	(323)	(325)
Net assets	3,015	18,721	774	22,510	3,443	21,374	895	25,712

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**4 Segmental reporting (continued)**

**(b) Secondary reporting format - geographical segments**

The Group's business segments and its assets are located in the Russia, Bermuda and Ireland. The table above shows income and expenditure and assets and liabilities by primary geographical segments on the basis that exploration activities are carried out in Russia, investment activity is carried out in Bermuda and unallocated amounts relate to costs incurred in Ireland.

**5 Loans and receivables**

On February, 5 2014 the company entered in to a loan agreement, as the lender with Taymura LLC, an unrelated company registered in Russia, as the Borrower. The Company provided Taymura LLC a loan in the amount of US\$6,345,000. The loan was advanced at an initial interest rate of 8% per annum, increasing in the event of default to 12% per annum. In return the company received an exclusive period to complete due diligence on JSC Evenkiya Fuel and Energy Company (ETEK) and LLC Taymura. The full amount of the loan and any interest accruing, was secured by certain receivables of LLC Taymura, non-encumbrance of the assets for the exclusive period and personal guarantees of a number of the shareholders of LLC Taymura. The loan subsequently went into default. Ovoca Gold plc has taken measures under Russian law to recover the full amount including interest. Various assets have been seized by the courts on behalf of the company and to date the company has recovered approximately US\$1 mln in cash (US\$740 was received on 21 June 2016).

It is intended to rigorously pursue all available options to recover the full loan amount and the company has already taken steps to pursue the personal guarantees which were used to secure the loan. The directors believe that substantially the entire loan will be recovered. However there can be no certainty in that regard and the remaining unreceived portion of the loan has been impaired.

**6 Events after the reporting period**

There have been no significant events affecting the Group since the interim period.

**7 Approval of the financial statements**

The interim report was approved by the Board of Directors on and is included on the Company's website, [www.ovocagold.com](http://www.ovocagold.com).