



RNS Number : 8249Q  
Aurum Mining PLC  
12 November 2012

## **AURUM MINING PLC**

**("Aurum" or "the Company")**

### **Interim Results for the six months ended 30 September 2012**

Aurum Mining plc (AIM: AUR), the gold and tungsten explorer focused in Spain, is pleased to announce its interim results for the six months ended 30 September 2012.

#### **Highlights:**

- Exploration work on the gold projects in which it has a majority interest through its joint venture with Ormonde Mining plc continues to deliver very encouraging results. The joint venture remains on track for the identification of three large new gold discoveries in North West Spain.
- At Pino del Oro, drilling to date on the "El Facho" structure has resulted in a preliminary non-compliant resource estimate of some 122,000-145,000 ounces of gold based on a 0.3 grams per tonne ("g/t") cut off. In addition to this, follow up soil geochemical work on the permit area has identified a major new drill target at Manton de Roble which is located 500 metres ("m") north of El Facho, which, it is hoped, will prove to be an extension or repetition of the El Facho structure
- At Peralonso, drilling results from an initial three hole drill programme were announced with the first hole containing three separate mineralised intervals of 18m grading 1.10g/t gold (from surface), 10.1m grading 3.39g/t gold (from 46.9m) and 14.95m grading 2.33g/t gold (from 109.1m). A follow up eight hole drill programme (totalling 991m) has now been completed and assay results are awaited

- At Cabeza de Caballo, results from the first four trenches, excavated over a total of 339m, identified zones of steeply-dipping gold bearing quartz-sulphide veining. Highlights included; 21m grading 3.71g/t gold, 4m grading 1.96g/t gold, 4m grading 1.85g/t gold, 3m grading 2.13g/t gold and 1m grading 11.8g/t gold
- Completion of the acquisition of the Morille tungsten project. Initial work at Morille has now commenced and the Company expects to start drilling at Morille early in the next calendar year.
- Appointment of Simon Beardsmore as Technical Manager in April 2012
- For the six months to 30 September 2012, the Group reported a loss of £225,000 compared to a loss of £674,000 for the same period in 2011
- Appointment of WH Ireland as Nominated Adviser & Broker

Sean Finlay, Chairman of Aurum, commented: *"During the period, the Company has made substantial progress on all three of its joint venture gold projects. Highlights have included the discovery of high grade near surface gold mineralisation at Peralonso and Cabeza, as well as the identification of multiple gold intersections at Pino, where the company is unlocking the potential of the El Facho structure. The results from El Facho have been complemented by the identification of a major new gold target nearby, Manton De Roble, which the company believes has the potential to significantly increase the resource at Pino.*

We look forward to updating Shareholders when the results from the current eight hole drill programme at Peralonso become available.

In addition to the progress on the gold projects, the Company has also acquired five highly prospective tungsten permits; the Morille permit area. The acquisition significantly increases Aurum's foothold in North West Spain and is a further sign of our growing belief in the potential of the region.

Our strategy is to build on the positive exploration work carried out to date and continue the comprehensive drilling programmes across our gold and tungsten permits areas to better understand the potential of the Company's asset base.

The next period has the potential to be truly transformational for the Company."

Aurum Mining plc	Tel: 020 7499 4000
Chris Eadie, Chief Executive Officer	
WH Ireland Limited	Tel: 0117 945 3470
Nominated Adviser & Broker Marc Davies/Mike Coe	
Newgate Threadneedle	Tel: 020 7653 9853
Financial PR Graham Herring/Beth Harris/Richard Gotla	

## Notes to Editors

Aurum Mining is an AIM listed exploration and development company focused on its highly prospective portfolio of gold and tungsten assets in North West Spain.

## Gold

Through its joint venture agreement with Ormonde Mining plc (AIM: ORM), Aurum currently has a 60% interest in the Pino de Oro project in Zamora Province and a 54% interest in the Peralonso and Cabeza projects in Salamanca Province.

## Tungsten

Aurum's Morille Tungsten project is located approximately 15km south west of Salamanca in North West Spain and covers an area of 5,796 hectares. The permit area is a 'brownfield' site with historical data indicating the production from the site of high quality tungsten concentrates from mineralisation grading up to 1% WO<sub>3</sub>. This historic work will provide key information on where initial exploration targets are located.

Aurum Mining Plc

## **Review of activities**

Aurum Mining plc (AIM: AUR) is pleased to announce its interim results for the six months ended 30 September 2012.

The period under review has been one of intense activity for the Company, and the substantial progress made on each of its three gold projects has raised the prospect that the Company could be on the brink of three considerable new gold discoveries in North West Spain. The near surface mineralisation identified at Peralonso and Cabeza is currently of particular interest as both have the potential for rapid and low cost development. The recent work carried out at Pino highlights that, as hoped, the project may have considerable scale and further work will now be undertaken to fully ascertain the extent and potential of that opportunity.

During the period the Company also completed the acquisition of five highly prospective tungsten permits (the "Morille" permits) in the same geographical region as the gold projects. The initial planning and mapping work is already underway at Morille and this will pave the way for initial drilling to take place early in the next calendar year.

The Board is both excited by and optimistic about Aurum's portfolio of gold and tungsten projects and feels that the projects will enable the Company to deliver on its twin strategic objectives of transforming Aurum into an integrated mining company that delivers strong returns to Shareholders.

The next steps for the Company will be to build on the successful exploration work on the gold projects to date, and to complete the initial planning, sampling and drilling work at Morille. An important challenge for the Board over the next six months will be to determine the key priorities for the Company in order to maximise near term benefits for stakeholders. Capital allocation and prioritisation across the projects will be a major factor for the Board to consider given the current uncertain market conditions.

The next period has the potential to be truly transformational for the Company as it really begins to fully understand the potential of its asset portfolio.

## **Gold projects**

As outlined above, the recent period has been one of activity and progress on each of the three gold projects in which Aurum has a majority interest through its joint venture with Ormonde Mining plc ("Ormonde"). By way of background, Aurum has a 60% interest in the Pino del Oro project in Zamora province ("Pino") and a 54% interest in the Peralonso ("Peralonso") and Cabeza de Caballo ("Cabeza") projects in Salamanca province.

## Pino

Until recently, the focus of the joint venture had been the 'El Facho' structure which falls within the Pino permit area. A total of 18 holes have been drilled at El Facho by Ormonde and the joint venture to date and this amounts to some 3,658 metres ("m") of drilling. Assays from these 18 holes were very encouraging and have highlighted that the El Facho structure contains mineralised intersections of mineable widths and grades. The assays to date indicate a main gold bearing structure over a strike length in excess of 600m.

As previously reported, despite the relatively limited work done on the structure to date, the potential of El Facho was highlighted in the work done by the joint venture's external consultant, Aurum Exploration Services (the Irish based mineral exploration advisers who, it should be noted, are totally independent of Aurum), who have estimated that the current resource at El Facho could be in the region of 122,000-145,000 ounces based on a 0.3 grams per tonne ("g/t") cut off. This is an early stage resource estimation rather than being a resource that has been calculated in accordance with any internationally recognised standard but their findings highlight the significant potential of the structure even at this early stage of its development. It is also important to point out that the El Facho structure remains open in all directions.

Off the back of these initial results from El Facho, the joint venture undertook soil sampling work at Pino with the intention of expanding the potential resource on the Pino permit area through the identification of additional mineralised structures near to El Facho. The work was carried out to define targets on two geochemical anomalies in the permit area separate to the El Facho structure, one which lies half a kilometre to the north of El Facho and one which lies a kilometre and a half to the north west. This soil sampling programme comprised some 700 samples, and the Board was delighted to announce that the work highlighted a major new gold target ("Manton de Roble"), with two main anomalous zones, being identified 500m to the north of El Facho.

The target is potentially an extension or a repetition of the El Facho structure and, if looked at in conjunction with El Facho, could significantly bolster the size of the opportunity at Pino which is exactly what it was hoped this piece of work would achieve.

The results at Manton de Roble highlighted two distinct, strong gold geochemical anomalies.

Anomaly 1 trended North-East with a strike length of some 400m when contoured at 250 parts per billion ("ppb") gold. In the main section of the anomaly, there were consecutive values of 651ppb, 1,185ppb, 937ppb, 487ppb and 622ppb from samples 20m apart.

Anomaly 2 trended North-North-East with a strike length of some 150m, contoured at 250ppb gold. In the main section of the anomaly, there were consecutive values of 780ppb, 430ppb and 537ppb gold from samples 20m apart. The strike extends to 1,200m when it is contoured at 100ppb.

Further exploration work will now be undertaken to determine the relationship between Manton de Roble and El Facho. The Board was really pleased with these results, and is now even more hopeful that there could be a really sizeable opportunity at Pino.

## **Peralonso**

On 4 July 2012, the Company announced the assay results from the first three holes drilled on the Peralonso permit area. The three shallow holes were drilled to test the shallow depth extent of gold mineralisation which had been identified by historic trenching work.

The Board were delighted by the initial assay results, particularly with those from drill hole PERD001 which, despite being drilled to only 125m, contained three separate intervals including 18m grading 1.10g/t gold from surface, 10.1m grading 3.39g/t (from 46.9m) and 14.95m grading 2.33 g/t (from 109.1m).

Following these results a further eight hole drill programme (totalling 991m) commenced in September 2012. The purpose of this is to investigate the lateral and depth extent of the mineralisation encountered in the initial three hole drill programme.

The drilling programme has now been completed and the Company will update the market when assay results become available.

Following the positive results from the initial drilling at Peralonso, reconnaissance prospecting to the northeast of the Peralonso permit area was carried out which indicated that the mineralised structures encountered in the preliminary drilling may extend beyond the existing permit boundary. As a direct result of this, the joint venture has submitted a permit application for an area adjacent to the northern boundary of the Peralonso permit area (totalling some 43 square kilometres). This permit area is called "Alajar" and the Company will keep the market updated with progress on this application.

## **Cabeza**

As previously announced to the market, there has also been some trenching work carried out at Cabeza during the period to follow up on some positive historical soil geochemistry work.

Four trenches of a total of 339m were excavated on a gold-in-soil anomaly, which has a strike length of some 800m (NNE-SSW) at 50ppb gold. The soil anomaly was defined by sampling carried out over an area where prospecting had returned high-grade gold values from float material (loose blocks) in an area of very poor

outcrop. Of a total of 13 float samples, eight samples returned values greater than 5/gt gold with maximum values of 45.3g/t and 72.2g/t gold.

The results from the trenching were exceptional and identified zones of steeply-dipping, gold-bearing quartz-sulphide veining within variably altered granites.

The main highlights of the trenching were as follows:

Trench CABTR004 returned 21m grading 3.71g/t gold from a zone of intense quartz-sulphide veining within altered granites.

Trench CABTR003, some 75m along strike from CABTR004, returned several separate intervals within an overall zone some 40m wide including 4m grading 1.96g/t, 4m grading 1.85g/t, 3m grading 2.13g/t and 1m grading 11.8g/t gold.

It should be noted that other than CABTR004, the trenches were not sampled over continuous intervals, leaving the potential for other gold-bearing intervals within the trenched zones.

Given the positive results from the initial trenching, and after taking the surrounding geological structures into account, the joint venture has now applied for two permit areas directly north and east of Cabeza respectively.

## **Morille**

In early September, the Company announced that the acquisition of 100% of the Morille permits had been completed. The total cost of acquiring the permits was €165,200 (inclusive of Spanish VAT), and in addition, the vendor retained a 1.5% net smelter royalty in the project.

By way of background, the five permits are located 15km southwest of the city of Salamanca and cover an area of 5,796 hectares. The Morille permit area is a 'brownfield' site and there has been a long history of production of high quality tungsten concentrates from the site. The permits are held by Aurum's 100% owned Spanish subsidiary, Morille Mining S.L.

The Board is extremely optimistic about the potential of the Morille permit area and intends to progress the project as quickly as is commercially possible. Initial work on the Morille project has

already commenced and involves the collation of historical information on the project, mapping, an environmental assessment and drill target identification. It is currently hoped that initial drilling on the Morille permit area will commence early in the 2013 calendar year once the work programme has been agreed with the Mines Department of Salamanca.

The key commercial aspects of the Morille permits and permit area are as follows;

- The Morille permit area is a 'brownfield' site and there has been a long history of the production of high quality tungsten concentrates from mineralisation grading up to 1% WO<sub>3</sub>.
- The historic mines closed during the 1980's as a result of low commodity prices. Subsequently, prices have increased significantly and there is reason to believe that a significant supply shortage is developing in the tungsten market.
- Now that there has been the consolidation of approximately fifty old small mines into a unified block, the Morille permits provide the first ever opportunity for systematic exploration of the area for tungsten.
- Historical geological, exploration and production data provide excellent pointers as to where the initial exploration targets should be. A survey carried out by two state geological surveys in the late 1990's concluded that there is a potential resource tonnage of at least 8 million tonnes across the Morille permit area.
- Historical data suggests that there has been over 735,000 tonnes of tungsten ore mined from the Morille area ranging in grade from 0.1%-1% WO<sub>3</sub>.
- The old data also suggests that two of the plants on the permit area were producing concentrate containing 70% tungsten trioxide. By current standards these are high grade concentrates.
- The area is served by excellent all round infrastructure.
- The area sits within a well known tungsten province - other known deposits in the area include Barruecopardo, Panasquiera, Los Santos and Regua.

The Board continues to view the underlying prospects of Morille and the fundamentals of the tungsten industry very favourably.

Global mined tungsten production has declined by an average of 1.5%pa since 2004, while long term demand rates have increased by 5%pa since 1992, and are forecast to continue to rise in the range 3-6%pa over the next 3-5 years. Deficits in the global supply of tungsten since 2005 have been met by a combination of scrap recycling and sales from the US Defence Logistics Agency's stockpile; the latter now seems to be approaching the minimum legal levels and therefore may not be available for much longer to help meet demand. In that event, there could be significant competition for new sources of supply from established producers in stable jurisdictions.

Furthermore, the world's tungsten market is dominated by China which accounts for around 85% of the supply and where output is declining at around 2.3%pa. Chinese demand which amounts to over 40% of the world total is, however, growing at between 5-8%pa. In the early 2000s, in an effort to capture added value in downstream tungsten products, China introduced quotas on the export of tungsten concentrates. Since that time, the export quotas have been reduced by an average of 0.8%pa leading to ever increasing pressures on non-Chinese sources of supply from depleting mines in Canada, Peru, Spain and Portugal.

Chinese dominance of the market and significant supply from geopolitically unfavourable areas such as the Great Lakes Region of central Africa, allied to the structural supply deficit has led a number of international bodies such as the European Commission and the British Geological Survey to draw attention to the strategic nature of world tungsten supply and to characterise it variously as "critical because the risks of supply shortage and their impacts on the economy are higher compared with most of the other raw materials" (EC) and "at risk" (BGS), while the American Resources Policy Network includes tungsten among the fourteen "critical and strategic" commodities at the highest level of its risk pyramid.

There are a number of very large, highly capital intensive, undeveloped tungsten projects around the world with the potential to address these supply concerns. However, as tungsten minerals can be processed using relatively inexpensive, metallurgically straightforward, gravity separation techniques, there is also an opportunity for small explorers to identify, evaluate, develop and exploit smaller tungsten deposits in stable areas such as Europe and contribute additional sources of tungsten to the supply chain.

All these factors point to the fact that the Morille project could become a very central component of Aurum's portfolio and the work programme scheduled for the next few months will help the Board to determine just how prospective the Morille project might be.

## **Key financials**

For the six months to 30 September 2012, the Group reported a loss of £255,000 compared to a loss of £674,000 for the same period in 2011.

The key reasons for the difference between the reported loss for this period and the corresponding loss for the previous financial year are due to a reduction in administrative expenses of £138,000, due to the share options issued in 2011, and due to the fact that the previous year included a one off charge of £282,000 for aborted transaction costs.

Gross cash at the end of September 2012 was circa £661,000.

During this year of transition, cash management and cost control have remained key priorities for the Company.

## **Corporate**

The Company announced that Simon Beardsmore joined the Company on a full time basis from 1 April 2012.

Simon joined Aurum having recently been part of the senior management team responsible for the construction, commissioning and expansion of the Los Santos tungsten mine in Salamanca Province, Spain. Simon is a graduate of the Royal School of Mines and a UK Chartered Engineer with over 35 years experience in a range of technical, operational and financial positions in the mining industry.

Simon's technical experience and knowledge of working in Spain is already proving invaluable to the Company as it looks to deliver on its Spanish strategy.

In November 2012, the Company announced that it had appointed WH Ireland as the Company's NOMAD and broker.

The Board would also like to extend its thanks to Ormonde who have, to date, proved to be an excellent joint venture partner for Aurum. The Board recognises the value of a joint venture with a Company who have a well established footprint in Spain and a logistical strength from which the joint venture benefits.

The Board is also very impressed with the initial contribution made by its Spanish consultants engaged on the Morille project, Desarrollo de Recursos Geológicos ("DRG"). DRG proved indispensable in helping to get the Morille transaction completed and their technical and commercial knowledge is proving key in advancing the Morille project.

The Company looks forward to working closely with both Ormonde and DRG over the coming months.

## **Qualified Person**

Simon Beardsmore, BSc (hons), ARSM, MIMMM, CEng, Technical Manager of Aurum Mining plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this report.

**Sean Finlay**

Chairman

**Chris Eadie**

Chief Executive Officer

9 November 2012

Aurum Mining Plc

Condensed consolidated income statement for the six months ended 30 September 2012

		Six months to 30 September	Six months to 30 September	Year ended 31 March
		2012	2011	2012
		£'000	£'000	£'000
	Notes	Unaudited	Unaudited	Audited
			Restated	
Aborted transaction costs		-	(282)	(286)
Other administrative expenses		(256)	(394)	(760)
Administrative expenses		(256)	(676)	(1,046)
Operating loss		(256)	(676)	(1,046)
Finance income		1	2	4
Loss for the period before taxation		(255)	(674)	(1,042)
Taxation		-	-	-
Loss for the period attributable to equity shareholders of the parent company		(255)	(674)	(1,042)
Loss per share expressed in pence per share				
Basic and Diluted	3	(0.22p)	(0.62p)	(0.91p)

Condensed consolidated statement of comprehensive income for the six months ended 30 September 2012

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2012	2011	2012
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
		Restated	
Loss after taxation for the period	(255)	(674)	(1,042)
Other comprehensive income for the period	-	-	-
Total comprehensive expense for the period attributable to the equity shareholders of the parent company	(255)	(674)	(1,042)

## Condensed consolidated statement of financial position

As at 30 September 2012

		30 September 2012	30 September 2011	31 March 2012
	Notes	£'000	£'000	£'000
		Unaudited	Unaudited	Audited
			<i>Restated</i>	
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	4	839	-	-
Property, plant and equipment		1	2	1
<b>Total non-current assets</b>		<b>840</b>	<b>2</b>	<b>1</b>
<b>Current assets</b>				
Receivables	4	45	216	492
Cash and cash equivalents		661	2,052	1,317
<b>Total current assets</b>		<b>706</b>	<b>2,268</b>	<b>1,809</b>
<b>Total assets</b>		<b>1,546</b>	<b>2,270</b>	<b>1,810</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		112	213	121
<b>Total current liabilities</b>		<b>112</b>	<b>213</b>	<b>121</b>
<b>Total liabilities</b>		<b>112</b>	<b>213</b>	<b>121</b>
<b>Total net assets</b>		<b>1,434</b>	<b>2,057</b>	<b>1,689</b>

<b>Capital and reserves attributable to the equity holders of the company</b>				
Share capital		1,182	1,182	1,182
Share premium reserve		11,172	11,172	11,172
Retained deficit		(10,920)	(10,297)	(10,665)
<b>Total equity</b>		<b>1,434</b>	<b>2,057</b>	<b>1,689</b>

## Condensed consolidated statement of changes in equity

For the six months ended 30 September 2012

	Share capital	Share premium	Merger reserve	Retained deficit	Total equity
Unaudited	£'000	£'000	£'000	£'000	£'000
At 1 April 2012	1,182	11,172	-	(10,665)	1,689
Total comprehensive expense for the period	-	-	-	(255)	(255)
At 30 September 2012	1,182	11,172	-	(10,920)	1,434

For the six months ended 30 September 2011

	Share capital	Share premium	Merger reserve	Retained deficit	Total equity
Unaudited	£'000	£'000	£'000	£'000	£'000
At 1 April 2011	515	9,905	3,021	(12,757)	684
Total comprehensive expense for the period	-	-	-	(674)	(674)
Merger reserve realised profits	-	-	(3,021)	3,021	-
Share based payments	-	-	-	113	113
Issue of shares net of issue costs	667	1,267	-	-	1,934
At 30 September 2011	1,182	11,172	-	(10,297)	2,057

## Condensed consolidated statement of changes in equity

For the year ended 31 March 2012

	Share capital	Share premium	Merger reserve	Retained deficit	Total equity
Audited	£'000	£'000	£'000	£'000	£'000
At 1 April 2011	515	9,905	3,021	(12,757)	684
Total comprehensive expense for the period	-	-	-	(1,042)	(1,042)
Merger reserve realised profits	-	-	(3,021)	3,021	-
Share based payments	-	-	-	113	113
Issue of shares net of issue costs	667	1,267	-	-	1,934
At 31 March 2012	1,182	11,172	-	(10,665)	1,689

The following describes the nature and purpose of each reserve within owners' equity.

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value.
Merger reserve	Merger relief reserve for amount in excess of nominal value on issue of shares in relation to business combinations.
Retained deficit	Cumulative net gains and losses recognised in the income statement less distributions made.

## Condensed consolidated cash flow statement

For the six months ended 30 September 2012

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2012	2011	2012
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
		Restated	
<b>Cash flow from operating activities</b>			
Loss for the period before tax	(255)	(674)	(1,042)
Adjustments for:			
Depreciation of property, plant and equipment	-	1	2
Finance income	(1)	(2)	(4)
Share-based payments	-	113	113
Cash flow from operating activities before changes in working capital	(256)	(562)	(931)
Decrease in trade and other receivables	12	21	4
(Decrease) / increase in trade and other payables	(9)	101	9
Net cash flow from operating activities	(253)	(440)	(918)
<b>Investing activities</b>			
Ormonde joint venture payments	(170)	(176)	(435)
Acquisition of Morille Tungsten permits	(234)	-	-
Interest income	1	2	4
Net cash flow from investing activities	(403)	(174)	(431)
<b>Financing activities</b>			
Proceeds from issue of share capital	-	2,000	2,000
Expenses paid in connection with share issues	-	(66)	(66)
Net cash flow from financing activities	-	1,934	1,934
Net (decrease) / increase in cash and cash equivalents	(656)	1,320	585

Cash and cash equivalents at the beginning of the period	1,317	732	732
Cash and cash equivalents at the end of the period	661	2,052	1,317

Notes to the condensed consolidated interim financial statements

For the half year ended 30 September 2012

## 1. Basis of preparation

The consolidated interim financial statements of Aurum Mining plc (the "Company") for the six months ended 30 September 2012 comprise the Company and its subsidiaries (together referred to as the "Group"). The corresponding amounts are for the year ended 31 March 2012 and the six month period ended 30 September 2011.

These consolidated interim financial statements have been prepared in accordance with the rules of the London Stock Exchange for companies trading securities on AIM and on a basis consistent with the accounting policies and methods of computation as published by the Group in its Annual Report for the year ended 31 March 2012, which is available on the Company's website. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2012 Annual Report.

The financial information for the half years ended 30 September 2012 and 30 September 2011 is unaudited, and does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006.

The Annual Financial Statements of Aurum Mining plc are prepared in accordance with Financial Reporting Standards (IFRS) as adopted by the European Union. The comparative financial information for the year ended 31 March 2012 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2012 have been filed with the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statements for 2012 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

The same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in the Group's latest annual audited financial statements except that in the current financial year, the Group has adopted a number of revised Standards and Interpretations. However, none of these has had a material impact on the Group's reporting. In addition, the IASB has issued a number of IFRS and IFRIC amendments or interpretations since the last annual report.

Effective as at 31 March 2012, the Group changed its presentational currency from US\$ to GBP. The Group financial statements are presented in Great Britain Pounds Sterling and all values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated. The September comparatives have been restated, see note 5 for further details.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated financial statements.

## **2. Changes in accounting policies**

There were no changes in accounting policies during the six months ended 30 September 2012.

## **3. Loss per share**

Basic loss per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

As at 30 September 2012 there were 3,950,000 (30 September 2011: 3,950,000, 31 March 2012: 3,950,000) potentially dilutive ordinary shares.

The effect of all potential ordinary shares arising from the exercise of options is anti-dilutive and therefore diluted loss per share has not been calculated.

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2012	2011	2012
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
Net loss attributable to equity holders of the parent Company	(255)	(674)	(1,042)

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2012	2011	2012
	Unaudited	Unaudited	Audited
Weighted average number of shares:			
Basic Loss per Share	118,159,942	109,002,433	113,905,803
Effect of dilutive share options and warrants	-	-	-
Diluted Loss per share	118,159,942	109,002,433	113,905,803

#### 4. Restatement - Intangible assets

For the period ending 30 September 2011, the Ormonde joint venture payments of £176,000 have been reclassified from intangible assets to prepayment following the statutory audit of the year ended 31 March 2012 Financial Statements.

## **5. Restatement - Comparative information**

The financial statements for the period ended 30 September 2011 were presented in United States Dollars. For the year ended 31 March 2012 the Group adopted the Great Britain Pounds Sterling as its presentational currency.

The comparative financial statements for the period ending 30 September 2011 has been restated using a rate for the statement of financial position of £1:\$1.5579 representing the closing rate at 30 September 2011 and income statement of £1:\$1.6185 representing the average rate approximating the rate ruling at the date of transaction for the period ended 30 September 2011.

## **6. Events after the reporting period**

Details of significant post reporting period events are included within the Review of activities.

This information is provided by RNS  
The company news service from the London Stock Exchange