

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

18 September 2017

Rose Petroleum plc
("Rose", the "Company" or the "Group")

Interim Results for the six months ended 30 June 2017

Rose (AIM: ROSE), the AIM quoted natural resources business, is pleased to announce its interim results for the six months ending 30 June 2017.

A copy of the Company's interim report for the six months to 30 June 2017 will shortly be available from its website <http://www.rosepetroleum.com/>.

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ROSE PETROLEUM PLC

INTERIM REPORT FOR THE SIX MONTHS TO 30 JUNE 2017

REVIEW OF ACTIVITIES

OVERVIEW AND OUTLOOK

The period under review has been a time of continued operational progress as the Board looks to position the Group to create value from the existing asset portfolio and to take advantage of other convincing market opportunities that will create value for shareholders, whilst conserving cash.

The recent period has been characterised by a notable operational achievement with the issue of the final permits for the 3D seismic shoot in the Paradox Basin, Utah. In addition, considerable progress has been made with the ongoing process of disposing of the Group's SDA Mill in Mexico and it is currently anticipated that, subject to funding, both the seismic shoot and the disposal of the SDA Mill will be completed by 31 December 2017. The Group also continues to explore potential opportunities in Cuba, focusing on both the oil and gas and building materials sectors.

The primary focus of the next period will be on the Paradox assets. The Board is committed to unlocking shareholder value from the Paradox acreage with a view to the commencement of a drilling programme in the second half of 2018, following the completion of the 3D seismic shoot. The Board continues to believe that the outlook for U.S.A. energy is extremely encouraging, and that a strategic focus on the Paradox acreage is the optimal way to deliver short-term value to shareholders.

The next period promises to be an exciting time in the Group's evolution and the Board is looking to the future with optimism.

OIL AND GAS DIVISION

On 22 August 2017, after an exhaustive permitting process, the Group announced that it had received all necessary final approvals for its proposed 3D seismic survey on its oil and gas exploration acreage in its Paradox acreage in Utah, U.S.A.

The Group has an agreement with Rockies Standard Oil Company LLC ("RSOC") to earn a 75% working interest in the leasehold of the Paradox acreage, for a carry obligation of US\$5.5 million. The Paradox Basin acreage is approximately 92,000 gross acres, within which there are potential resources of 1.1 billion barrels of oil and 2.2 trillion cubic feet of gas, according to the reserve report prepared by Ryder Scott Company LP in 2014. The Paradox Basin is an unconventional oil and gas basin that targets the Paradox Clastics and the Leadville Limestone, a conventional play directly below the Paradox Clastics. The permits and approvals for the seismic survey cover an area of 61 square miles within the Paradox acreage.

The Board is committed to unlocking shareholder value from the Paradox acreage and so its focus is on completing the planned 40-square mile 3D seismic survey to identify drill targets, and then progressing the drill programme permitting process with a view to the commencement of a drilling programme in the second half of 2018. The Company is in dialogue with a number of third parties to provide the funding for both the 3D seismic survey and the subsequent drilling programme.

Completion of the optimisation of the state of the art 3D seismic shoot resulted in the shoot being focused on a 40-square mile area within the 61-square mile permitted area, thus reducing costs and maximising the efficiency of the shoot. Initial surveying work for the seismic shoot has already commenced and we are well on our way to having the shoot completed by year end, subject to funding.

The Paradox Basin is a natural fracture driven basin, meaning that the drilling process targets "fracture swarms" to enable the natural fracturing to provide the commercial flow rates so "hydraulic fracking" is not utilised. The 3D seismic survey is, as proven by other operators in the basin, an essential part of identifying these fracture swarms and therefore an essential path to unlocking the value of the Paradox acreage.

The Group has assembled a highly experienced technical and operational team with specific Paradox Basin seismic and drilling experience, and success, to assist in the completion of the seismic survey and the subsequent drilling programme. The team consists of two geophysicists who have both previously worked for Fidelity Exploration and Production Company ("Fidelity"), now owned by Kirkwood Resources LLC, on their Paradox seismic shoots and subsequent drilling programmes. Dawson Geophysical Inc. has been contracted to deliver the turnkey seismic shoot.

The Paradox Basin has been actively exploited by Fidelity, mainly in the Cane Creek Formation, southeast of the Group's main group Paradox lease blocks. Fidelity has been the most active operator in the Paradox Basin over the past two years with average Q1 2015 production of 2,100 barrels of oil equivalent per day ("boepd"). In addition to Fidelity's success, multiple wells in the area of the Group's leases have produced oil and gas to surface from various formations, and it is a combination of these factors which led the Board to the decision that it should focus on the Group's Paradox Basin acreage. Consistent with successful wells drilled within the basin, the strategy is to shoot the seismic lines that will assist in identifying and steering drilling targets for the Group's first wells in the Paradox.

The Group is also investigating the potential for the commercial extraction of lithium from the salar brines that exist within the clastic formations on the Paradox acreage, and the results from the seismic shoot will not only identify potential petroleum targets, but will also highlight any such lithium targets. The Paradox Basin is currently being widely explored for lithium with commercial grades in excess of 1,700 parts per million ("ppm") already having been identified within the salar brines locally.

The Board is greatly encouraged by the ambition of the Trump administration of increasing domestic energy production in the U.S.A.

MINING DIVISION

Disposal of SDA Mill, Mexico

On 6 March 2017, the Group announced that it had entered into a Memorandum of Understanding (“MOU”) with Magellan Gold Corporation (“Magellan”) (OTCQB:MAGE), in respect of the potential disposal of its mineral processing mill operation in San Dieguito de Arriba, State of Nayarit, Mexico and its associated assets, licenses and agreements (together, the “SDA Mill”).

The transaction progressed well during the period, culminating in the signing of a binding stock purchase agreement (the “SPA”) with Magellan which was announced to the market on 11 September 2017.

Background to and reasons for the proposed disposal of the SDA Mill

The Group has operated the SDA Mill for ten years and it had previously carried out mill production for the Group’s gold and silver mining operations at the Mina Charay mine in Mexico (“Mina Charay”). In December 2015, it was decided to cease operations at Mina Charay due to high transportation costs and depressed commodity prices. As a result, the SDA Mill was instead utilised for custom milling of third party ore whilst the Group aimed to identify joint-venture opportunities for the SDA Mill which would generate better returns than custom milling. The focus of these efforts was to identify advanced-stage projects located in the vicinity of the SDA Mill and which met several criteria including minimum production levels.

Having assessed the opportunities presented, the Board determined that the proposed disposal of the SDA Mill is the best course of action for the asset. Operations at the mill remain on hold pending completion of the disposal.

The Board intends to allocate funds from the sale of the SDA Mill towards the cost of the 3D seismic survey on the Paradox acreage.

Proposed terms of the disposal to Magellan

Under the terms of the agreement announced on 1 September 2017, Magellan will pay a total consideration of US\$1.5 million for the SDA Mill, payable as US\$1.0 million in cash (less a US\$0.1 million option payment already received) and US\$0.5 million in restricted common stock (shares) in Magellan.

As the disposal will constitute a fundamental change of business under the AIM Rules it is subject to the approval of shareholders. The Company has therefore convened a General Meeting to take place on 18 September 2017 to approve the transaction and a Circular was posted to Shareholders on 1 September 2017 which contains full details in respect of the disposal.

The signing of the SPA and successful shareholder approval will pave the way for the transaction to close. Under the current schedule, the disposal is expected to complete before the end of October 2017.

Should the proposed disposal not be approved by the Company’s shareholders, the Company will be required to reimburse Magellan the US\$0.1 million option payment already received. This payment would be payable in cash or Ordinary Shares at the Company’s discretion.

The SPA includes a number of closing conditions including, in addition to usual completion actions, the completion of due diligence, Magellan completing an audit of the SDA Mill’s financial statements, and the finalisation of the Mexican corporate restructuring to facilitate the disposal.

Base and precious metals exploration, Mexico

The Company continues to hold the Tango project, consisting of a number of concessions encompassing 3,954 hectares and located in southern Sinaloa, Mexico. The Tango property covers what appears to be a classic base and precious metals porphyry system. A drilling plan has been completed and all permits required to commence drilling at the project were obtained in late 2015. These permits allow for drilling both the copper and molybdenum porphyries as well as drilling the high-grade vein structure at the San Agustin gold and silver mine. The Board is currently considering funding options for advancing the project.

Copper exploration, Southwest U.S.A.

In April 2016, the Group announced that it had entered into an agreement with privately held Burdett Gold LLC (“Burdett”), to conduct exploration drilling on the Ardmore copper project which consists of 18 unpatented mining

claims located north of Tucson. Burdett assumed control of the claims and is the operator of the project and has commenced exploration work.

Uranium exploration, U.S.A.

The bulk of the Group's uranium assets are held in a joint venture with Anfield Resources Inc. covering property holdings in the breccia pipe district of northern Arizona. The Group also owns 100% of the North Wash project in Utah. The land holdings in Arizona consist of a number of proven breccia pipes and breccia pipe targets and the North Wash project in Utah contains a resource of uranium and vanadium. These holdings are being held on care and maintenance while management reviews its options to develop the projects further.

CUBA OPPORTUNITIES

In May 2016, the Group announced that it had raised gross proceeds of US\$1.2 million (£0.8 million) from Earth Source Investment Inc, primarily to further develop opportunities that had arisen in Cuba, and specifically around the processing and manufacturing of gypsum and associated building materials.

As announced on 4 July 2016 and in the period since, the Group, with the assistance of its technical team supported by Grenzebach BSH (GmbH) ("Grenzebach"), has been negotiating with Empresa Materiales de Construcción ("EMC"), the local state company, to construct the proposed gypsum processing and manufacturing facilities to supply the domestic and Caribbean market with various gypsum products including, but not limited to, gypsum wall and ceiling panels.

Multiple models and plant facilities have been discussed involving various end products and production rates and the Group put forward its proposal on the agreed capacity and products at the end of 2016, although the process is no longer exclusive to the Group. Having been through multiple versions of both capacity and end product requirements, which was an extremely challenging process, the Board would like to take this opportunity to thank Grenzebach for its continuing support. We are presently engaged in further discussions regarding the transaction and we will update the market when we have further clarity around the ongoing process.

As a result of the good relationships developed in Cuba, the Group have now also engaged with the Cuban national oil company, CUPET, and are in early stage discussions regarding oil & gas licences. We believe that the oil and energy sectors in Cuba offer excellent potential and hope to be able to progress our discussions.

We were extremely sorry to see the devastating impact that Hurricane Irma had on the island and our thoughts are with all those that were affected by the tragedy.

FINANCIAL REVIEW

The financial information is reported in United States Dollars ("US\$").

Revenue

Revenue for the period was generated from the Group's toll milling operations in Mexico. The income statement reports total revenue for the six months ended 30 June 2017 of US\$0.2 million (2016: US\$0.4 million). The reduction in revenues was primarily the result of the cessation of activity at the SDA Mill in March 2017 pending the disposal of the mill to Magellan.

Income Statement

The Group reports a net loss after tax of US\$2.2 million or a loss of 0.06 US cents per share for the six months ended 30 June 2017 (2016: net profit after tax of US\$0.2 million or a profit of 0.01 US cents per share).

The movement from profit in the comparative period, to loss in the current period is primarily the result of unrealised foreign exchange differences that arise on the restatement of the Company's loans to its subsidiaries. These foreign exchange differences resulted in an unrealised loss of US\$0.5m for the six months ended 30 June 2017 (2016: unrealised gain of US\$1.5m). The losses in this period are the result of the US dollar weakening against sterling during the period.

Operating, Development and Administrative expenses for the period were US\$1.4m (2016: US\$1.8m), highlighting the ongoing cash conservation going on within the Group.

Balance Sheet

Cash and cash equivalents at 30 June 2017 were US\$0.9 million (2016: US\$1.7 million).

Proposed Capital Reorganisation

Given the recent trading price range of the Company's shares, the Directors have considered it prudent to undertake a capital reorganisation. The Directors consider that it would be more appropriate for the Company to have a smaller number of Ordinary Shares in issue and a higher share price, in line with other comparable AIM companies. The Board also believes that the capital reorganisation should improve the liquidity and marketability of the Company's shares to a range of investors, including institutional investors. The details of the proposed capital reorganisation were contained in the Circular sent out to shareholders on 1 September and will be voted on by shareholders at the General Meeting on the 18 September 2017.

If approved by Shareholders, the proposed capital reorganisation will comprise:

- (i) the consolidation of every 100 existing Ordinary Shares of 0.1p each into one consolidated Ordinary Share of 10p each; and
- (ii) in order to change the nominal value of shares, the immediate sub-division of each consolidated Ordinary Share into one new Ordinary Share of 0.1p each and one new Deferred Share of 9.9p each.

MC Idiens
Chief Executive Officer

18 September 2017

ROSE PETROLEUM PLC

CONDENSED CONSOLIDATED INCOME STATEMENT For the six months ended 30 June 2017

	Notes	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
Continuing operations				
Revenue	2	227	414	898
Cost of sales		(167)	(338)	(820)
Gross profit		60	76	78
Operating, development and administrative expenses		(1,424)	(1,796)	(2,913)
Project development expenses		(66)	(254)	(580)
Impairment of intangible exploration and evaluation assets		-	-	(360)
Foreign exchange differences		(526)	1,511	2,496
Operating loss		(1,956)	(463)	(1,279)
Finance income		41	8	9
Other income	3	50	-	-
Loss before taxation		(1,865)	(455)	(1,270)
Taxation	4	(312)	685	1,120

(Loss)/profit for the period attributable to owners of the parent company		(2,177)	230	(150)
(Loss)/profit per Ordinary Share		(0.06)	0.01	(0.01)
Basic and diluted, cents per share	6			

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
(Loss)/profit for the period attributable to owners of the parent company	(2,177)	230	(150)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss, net of tax</i>			
Foreign currency translation differences on foreign operations	(1,939)	3,599	6,498
	(1,939)	3,829	6,498
Total comprehensive income for the period attributable to owners of the parent company	(4,116)	3,829	6,348

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2017

	Notes	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
Non-current assets				
Intangible assets	7	10,196	10,332	10,117
Property, plant and equipment		335	457	337
		10,531	10,789	10,454
Current assets				
Trade and other receivables		674	1,137	1,236
Cash and cash equivalents		874	1,724	1,273

		1,548	2,861	2,509
Total assets		<u>12,079</u>	<u>13,650</u>	<u>12,963</u>
Current liabilities				
Trade and other payables	8	(670)	(625)	(524)
Provisions		(110)	-	(110)
Taxation payable		(1)	(1)	(1)
		<u>(781)</u>	<u>(626)</u>	<u>(635)</u>
Non-current liabilities				
Provisions		-	(100)	-
		-	(100)	-
Total liabilities		<u>(781)</u>	<u>(726)</u>	<u>(635)</u>
Net assets		<u>11,298</u>	<u>12,924</u>	<u>12,328</u>
Equity				
Share capital	9	40,362	39,489	40,362
Share premium account		32,183	31,901	32,183
Share option reserve		3,188	2,791	3,028
Cumulative translation reserves		(7,389)	(6,795)	(8,376)
Retained deficit		(57,046)	(54,462)	(54,869)
Equity attributable to owners of the parent company		<u>11,298</u>	<u>12,924</u>	<u>12,328</u>

ROSE PETROLEUM PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital US\$'000	Share premium account US\$'000	Share option reserve US\$'000	Cumulative translation reserves US\$'000	Retained deficit US\$'000	Total US\$'000
As at 1 January 2016	38,765	31,471	2,899	(4,384)	(54,887)	13,864
<i>Transactions with owners in their capacity as owners:</i>						
Issue of equity shares	724	434	-	-	-	1,158
Expenses of issue of equity shares	-	(4)	-	-	-	(4)
Share-based payments	-	-	93	-	-	93
Transfer to retained earnings in respect of forfeit options	-	-	(195)	-	195	-
Effect of foreign exchange rates	-	-	(6)	-	-	(6)
Total transactions with owners in their capacity as owners	<u>724</u>	<u>430</u>	<u>(108)</u>	<u>-</u>	<u>195</u>	<u>1,241</u>
Profit for the period	-	-	-	-	230	230
<i>Other comprehensive income:</i>						
Currency translation differences	-	-	-	3,599	-	3,599

Total other comprehensive income for the period	-	-	-	3,599	-	3,599
Total comprehensive income for the period	-	-	-	3,599	230	3,829
Currency translation differences on equity at historical rates	-	-	-	(6,010)	-	(6,010)
As at 30 June 2016	39,489	31,901	2,791	(6,795)	(54,462)	12,924

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)

	Share capital US\$'000	Share premium account US\$'000	Share option reserve US\$'000	Cumulative translation reserves US\$'000	Retained deficit US\$'000	Total US\$'000
As at 1 January 2016	38,765	31,471	2,899	(4,384)	(54,887)	13,864
<i>Transactions with owners in their capacity as owners:</i>						
Issue of equity shares	1,597	783	-	-	-	2,380
Expenses of issue of equity shares	-	(71)	-	-	-	(71)
Share-based payments	-	-	326	-	-	326
Transfer to retained earnings in respect of forfeit options	-	-	(168)	-	168	-
Effect of foreign exchange rates	-	-	(29)	-	-	(29)
Total transactions with owners in their capacity as owners	1,597	712	129	-	168	2,606
Loss for the year	-	-	-	-	(150)	(150)
<i>Other comprehensive income:</i>						
Currency translation differences	-	-	-	6,498	-	6,498
Total other comprehensive income for the year	-	-	-	6,498	-	6,498
Total comprehensive income for the year	-	-	-	6,498	(150)	6,348
Currency translation differences on equity at historical rates	-	-	-	(10,490)	-	(10,490)
As at 31 December 2016	40,362	32,183	3,028	(8,376)	(54,869)	12,328

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital US\$'000	Share premium account US\$'000	Share option reserve US\$'000	Cumulative translation reserves US\$'000	Retained deficit US\$'000	Total US\$'000
As at 1 January 2017	40,362	32,183	3,028	(8,376)	(54,869)	12,328
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	-	155	-	-	155
Effect of foreign exchange rates	-	-	5	-	-	5
Total transactions with owners in their capacity as owners	-	-	160	-	-	160
Loss for the period	-	-	-	-	(2,177)	(2,177)
<i>Other comprehensive income:</i>						
Currency translation differences	-	-	-	(1,939)	-	(1,939)
Total other comprehensive income for the period	-	-	-	(1,939)	-	(1,939)
Total comprehensive income for the period	-	-	-	(1,939)	(2,177)	(4,116)
Currency translation differences on equity at historical rates	-	-	-	2,926	-	2,926
As at 30 June 2017	40,362	32,183	3,188	(7,389)	(57,046)	11,298

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2017

	Appendices	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
Net cash used in operating activities	a	(512)	(1,693)	(3,045)
Net cash from/ (used in) investing activities	b	112	(72)	(204)
Net cash from financing activities	c	-	1,154	2,309
Net decrease in cash and cash equivalents		(400)	(611)	(940)

Cash and cash equivalents at beginning of period	1,273	2,399	2,399
Effect of foreign exchange rate changes	1	(64)	(186)
Cash and cash equivalents at end of period	874	1,724	1,273

ROSE PETROLEUM PLC
APPENDICES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2017

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
a Operating activities			
Loss before taxation	(1,865)	(455)	(1,270)
Finance income	(41)	(8)	(9)
Other income	(50)	-	-
Adjustments for:			
Depreciation of property, plant and equipment	41	107	201
Loss on disposal of property, plant and equipment	-	18	17
Impairment of intangible exploration and evaluation assets	-	-	360
Share-based payments	156	93	326
Effect of foreign exchange rate changes	644	(1,614)	(2,626)
Operating outflow before movements in working capital	(1,115)	(1,859)	(3,001)
Decrease in inventories	-	19	19
Decrease in trade and other receivables	562	218	100
Increase in trade and other payables	45	(64)	(163)
Cash used in operations	(508)	(1,686)	(3,045)
Income tax paid	(4)	(7)	-
Net cash used in operating activities	(512)	(1,693)	(3,045)
b Investing activities			
Interest received	41	3	4
Purchase of intangible exploration and evaluation assets	(79)	(138)	(272)
Proceeds on disposal of property, plant and equipment	-	8	9
Proceeds on disposal of intangible assets	-	5	5
Proceeds on disposal of assets held for sale	-	50	50
Proceeds from Options	150	-	-
Net cash from/ (used in) investing activities	112	(72)	(204)
c Financing activities			
Proceeds from issue of shares	-	1,158	2,380
Expenses of issue of shares	-	(4)	(71)
Net cash from financing activities	-	1,154	2,309

ROSE PETROLEUM PLC
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2017

1. ACCOUNTING POLICIES

Basis of preparation

This report was approved by the Directors on 15 September 2017.

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ('IFRS ') as adopted in the EU.

The condensed consolidated interim financial statements are presented in United States Dollar ('US\$') as the Group's trading, and the majority of its assets are in US\$.

The Company is domiciled in the United Kingdom. The Company is quoted on the AIM market.

The current and comparative periods to June have been prepared using the accounting policies and practices consistent with those adopted in the annual financial statements for the year ended 31 December 2016.

Comparative figures for the year ended 31 December 2016 have been extracted from the statutory financial statements for that period which carried an unqualified audit report, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

The financial information contained in this report does not constitute statutory financial statements as defined by section 434 of the Companies Act 2006, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2016. This report has not been audited or reviewed by the Group's auditors.

During the first six months of the current financial year there have been no related party transactions that materially affect the financial position or performance of the Group and there have been no changes in the related party transactions described in the last annual financial report.

The principal risks and uncertainties of the Group have not changed since the publication of the last annual financial report where a detailed explanation of such risks and uncertainties can be found.

2. SEGMENTAL INFORMATION

For management purposes, the Group is organised into three operating divisions based on its principal activities of gold and silver mining, research and evaluation of potential uranium and copper properties and the exploration and development of O&G resources. These divisions are the basis on which the Group reports its segment information as presented below:

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
Revenue			
Gold and silver	227	414	898

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
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Segmental results

Uranium and copper	(71)	(65)	(483)
Gold and silver	(201)	(197)	(454)
O&G	(950)	667	1,544
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Total segment results	(1,222)	405	607
Unallocated results	(643)	(860)	(1,877)
Current and deferred tax	(312)	685	1,120
	<hr/>	<hr/>	<hr/>
Loss after taxation	(2,177)	230	(150)
	<hr/>	<hr/>	<hr/>
Net assets			
Uranium and copper	69	414	55
Gold and silver	762	1,513	1,217
O&G	10,265	10,147	10,132
	<hr/>	<hr/>	<hr/>
Total segment net assets	11,096	12,074	11,404
Unallocated net assets	203	851	924
Current and deferred tax	(1)	(1)	-
	<hr/>	<hr/>	<hr/>
Total net assets	11,298	12,924	12,328
	<hr/>	<hr/>	<hr/>

3. OTHER INCOME

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
Option payment	50	-	-
	<hr/>	<hr/>	<hr/>

In March 2017, the Company entered into a Memorandum of Understanding (“MOU”) with Magellan in respect of the potential sale of the SDA Mill. Under the terms of the MOU, the Company granted Magellan a 90-day option period for a non-refundable US\$0.05 million deposit, to purchase the SDA Mill subject to the satisfaction of a number of conditions. The MOU also provided Magellan with the option of extending this option period by a further 60 days in consideration of an additional US\$0.1 million which would be credited against the final purchase price should the sale proceed. On 1 June 2017, the Company announced that Magellan had exercised its option to extend the 90-day option period for a further 60 days and the payment of US\$0.1 million has been received. See note 8.

4. TAXATION

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
Current period	4	6	8
Deferred tax	308	(691)	(1,128)
	<hr/>	<hr/>	<hr/>
Tax charge/(credit)	312	(685)	(1,120)
	<hr/>	<hr/>	<hr/>

5. DIVIDENDS

The Directors do not recommend the payment of a dividend for the period.

6. (LOSS)/PROFIT PER ORDINARY SHARE

Basic (loss)/profit per Ordinary Share is calculated by dividing the net (loss)/profit for the period attributable to owners of the parent company by the weighted average number of Ordinary Shares outstanding during the period. The calculation of the basic and diluted (loss)/profit per Ordinary Share is based on the following data:

	Unaudited six months ended 30 June 2017 US\$'000	Unaudited six months ended 30 June 2016 US\$'000	Audited year ended 31 December 2016 US\$'000
(Losses)/profits			
(Loss)/profit for the purpose of basic (loss)/profit per Ordinary Share being net (loss)/profit attributable to owners of the parent company	(2,177)	230	(150)
	Number '000	Number '000	Number '000
Number of shares			
Weighted average number of shares for the purpose of basic (loss)/profit per Ordinary Share	3,764,471	2,704,031	3,008,811
(Loss)/profit per Ordinary Share			
Basic and diluted, cents per share	(0.06)	0.01	(0.01)

Due to the losses incurred, there is no dilutive effect from the existing share options, share based compensation plan or warrants.

In the period to 30 June 2016, the share options exercise price is greater than the market price and diluted earnings per share is the same as basic.

7. INTANGIBLE ASSETS

	Exploration and evaluation assets US\$'000
Cost	
At 1 January 2016	18,511
Additions	135
Disposals	(426)
Exchange differences	(17)
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At 30 June 2016	18,203
Additions	141
Disposals	(181)
Relinquishment of licences	(2,303)
Exchange differences	(37)
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At 31 December 2016	15,823
Additions	79
Exchange differences	45
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At 30 June 2017	15,947
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Impairment	
At 1 January 2016	8,290
Disposals	(421)
Exchange differences	2

At 30 June 2016	7,871
Impairment charge	360
Disposals	(181)
Relinquishment of licences	(2,303)
Exchange differences	(41)
At 31 December 2016	5,706
Exchange differences	45
At 30 June 2017	5,751
Carrying amount	
At 30 June 2017	10,196
At 30 June 2016	10,332
At 31 December 2016	10,117

8. TRADE AND OTHER PAYABLES

In March 2017, the Company entered into an MOU with Magellan in respect of the potential sale of the SDA Mill. Under the terms of the MOU, the Company granted Magellan a 90-day option period for a non-refundable US\$0.05 million deposit, to purchase the SDA Mill subject to the satisfaction of a number of conditions. The MOU also provided Magellan with the option of extending this option period by a further 60 days in consideration of an additional US\$0.1 million which would be credited against the final purchase price should the sale proceed. On 1 June 2017, the Company announced that Magellan had exercised its option to extend the 90-day option period for a further 60 days and the payment of US\$0.1 million has been received. The additional option payment has been included in trade and other payables, pending the final outcome of the sale.

9. SHARE CAPITAL

	Unaudited six months ended 30 June 2017 Number '000	Unaudited six months ended 30 June 2016 Number '000	Audited year ended 31 December 2016 Number '000
Authorised			
Ordinary Shares of 0.1p each	7,779,297	7,779,297	7,779,297
Deferred Shares of 9.9p each	190,108	190,108	190,108
	<u>7,969,405</u>	<u>7,969,405</u>	<u>7,969,405</u>
	US\$'000	US\$'000	US\$'000
Allotted, issued and fully paid			
3,764,470,841 Ordinary Shares of 0.1p each (30 June 2016: 3,050,185,217: 31 December 2016 3,764,470,841)	5,722	4,849	5,722
190,108 Deferred Shares of 9.9p each	34,640	34,640	34,640
	<u>40,362</u>	<u>39,489</u>	<u>40,362</u>

The Deferred Shares are not listed on AIM, do not give the holders any right to receive notice of, or to attend or vote at, any general meetings, have no entitlement to receive a dividend or other distribution or any entitlement to receive a repayment of nominal amount paid up on a return of assets on winding up nor to receive or participate in any property or assets of the Company. The Company may, at its option, at any time redeem all of the Deferred Shares then in issue at a price not exceeding £0.01 from all shareholders upon giving not less than 28 days' notice in writing.

ISSUED ORDINARY SHARE CAPITAL

On 6 May 2016, the Company issued 500,000,000 Ordinary Shares of 0.1p each at a price of 0.16p per share, raising gross proceeds of US\$1.16 million (£0.8 million).

On 26 October 2016, the Company issued 714,285,714 Ordinary Shares of 0.1p each at a price of 0.14p per share, raising gross proceeds of US\$1.22 million (£1.0 million). In addition, for every two shares issued the subscriber received a warrant to subscribe for a new Ordinary Share at a price of £0.25p per share, resulting in the issue of 357,142,857 warrants which are exercisable at any time until October 2019. Considering the Company's average share price during the year in relation to the exercise price of the warrants, no value has been attributed to the warrants and the full value of the consideration received for the share placing has been allocated to share capital.

	Ordinary Shares Number '000
At 1 January 2016	2,550,185
Allotment of shares	500,000
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At 30 June 2016	3,050,185
Allotment of shares	714,286
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At 31 December 2016 and 30 June 2017	3,764,471
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10. POST BALANCE SHEET EVENTS

All matters relating to events since the balance sheet date have been disclosed elsewhere in the Review of Activities.