PEMBRIDGE RESOURCES

PEMBRIDGE RESOURCES PLC

Condensed Interim financial statements

for the period from 1 January 2019 to 30 June 2019

Registered number: 07352056 (England and Wales)

Chairman's statement

I am pleased to present the condensed interim financial statements for Pembridge Resources plc ("Pembridge" or the "Company", and together with its subsidiaries, the "Group") results for the half year ended 30 June 2019.

Recent developments:

- On 3 June 2019, the Company entered into a share purchase agreement ("SPA") to acquire Minto Explorations Ltd. ("Minto") from Capstone Mining Corporation ("Capstone").

- The primary asset of Minto is a copper-gold-silver mine located in Yukon, Canada (the "Minto Mine").

- Minto was acquired while the Minto Mine was on care and maintenance and, following the completion of the acquisition of Minto on 3 June 2019, Pembridge has been and remains focussed on recommencing operations at the Minto Mine and is targeting restarting production at the Minto Mine in Q4 2019.

- On 19 September 2019, the Company announced the appointment of Gati Al-Jebouri as Chief Executive Officer and Chairman of its board of directors (the "Board" or "Directors"). The following changes also occurred on the same date: David Linsley resigned from his position as Chief Executive Officer and his directorship; and Francis 'Frank' McAllister stepped down as Non-Executive Chairman and remains as a Non-Executive Director.

- The Company intends in due course to seek to raise additional funds by way of a placing of new ordinary shares (the "Proposed Placing") contemporaneously with its Re-admission (defined below). The Board intends, in principle and subject to contract, to invest up to £2.2 million in the Company.

Interim results:

- The interim financial statements of the Group, as set out in full below, show a loss for the period of US$2,885,000 and a negative equity of US$3,075,000. As at 30 June 2019 the Group had US$9,787,000 in cash reserves. The Board consider it appropriate to maintain the going concern basis in the preparation of these financial statements as the Directors have a reasonable expectation that the Group and Company will be able to raise sufficient funds and therefore continue in operational existence for the foreseeable future.

Operations update:

The following is an overview of recent developments at the Minto Mine:

Appointment of a new General Manager

- Sebastien D. Tolgyesi was appointed General Manager at the Minto Mine in August 2019. He is a mining engineer and geologist with almost 25 years of experience in base metals mining and exploration across North America. He joins Minto from Coeur's Silvertip underground silver, lead and zinc mining operation where he was the Operations Manager. Prior to that, Sebastien worked for Capstone, initially as Mine Manager and Interim General Manager for the Minto Mine and then as Mine Manager for Capstone's Pinto Valley copper mine in Arizona. Prior to Capstone, Sebastien has held several operations and engineering roles with Xstrata Copper, Falconbridge and Agnico Eagle. Sebastien has a Geology degree from the University of Montreal and a Mining and Mineral Engineering degree from the Laval University.

Clean health and safety record

- Zero lost time injuries and zero incidents reported since completion of the acquisition of the Minto Mine.

Underground operations

- Dewatering and rehabilitation of the underground access ramps have been completed.
- Steel-reinforced ground support has been installed around the Minto East vent raise. Raise boring of the 50m concrete plug has commenced. The pilot hole is complete, and the full raise is expected to be completed within the next two weeks.
- Stopes within Minto East are ready for blasting.
- Remnant underground broken ore is in the process of being hauled to surface.
- Explosives and associated storage facilities have been mobilised to site.
- Almost all of the new equipment fleet has been delivered to site, complementing the existing fleet. This includes 3 new haul trucks, 2 new scoop-trams and various other associated support vehicles.

Milling operations

- Water balance testing of the processing plant is complete, except for the SAG mill, which is currently undergoing a liner seal replacement.
- Work has started on preparing the existing surface stockpiles for processing.
- The processing plant will commence milling on a 2-week on, 2-week off schedule until sufficient development is achieved underground to enable a higher monthly processing capacity.

Exploration

- A drone operated geophysical UAV-Magnetic (MAG^{TM}) survey of the Minto mine area has been completed by Pioneer Aerial Surveys Ltd. As copper mineralisation at Minto is highly correlated with magnetite, the results from the survey will significantly enhance the targeting of future definition and exploration drilling, as well as identify new targets within the mine area. More information will be provided in due course.
- Equipment for the surface and underground drilling programme has been mobilised to site, which will commence next month. The programme consists of 12,589m (33 holes) of surface drilling and 1,533m (20 holes) of underground drilling. The infill-drilling program will primarily target known mineralized ore bodies not in the reserves to gap coverage and to define the extension of these known ore bodies along the trend.
- Initial results from the recently conducted regional soil sampling and prospecting program on the HUN claims, south of the Minto Mine, have returned showings of surface oxide copper mineralisation. This

supports Pembridge's geological theory of a 42km long copper belt north west and south east of the Minto Mine. More information will be provided in due course.

Financing and Re-admission update:

- Work is progressing on the necessary documentation to complete the Company's proposed re-admission to listing on the standard segment of the Official List of the UK Financial Conduct Authority (the "FCA") and to trading on the main market for listed securities of London Stock Exchange plc ("Re-admission"), including a prospectus (the "Prospectus") that will be subject to approval by the FCA.
- The Company intends in due course to seek to raise additional funds by way of the Proposed Placing of new ordinary shares of nominal value 1 pence each in the capital of the Company contemporaneously with its Re-admission.
- The new Chief Executive Officer and Chairman of the Board intends, in principle and subject to contract, to invest up to £2.0 million in the Company; £1 million through participation in the Proposed Placing, and up to £1.0 million in the form of a long term (more than 1 year) convertible loan to the Company.
- In addition, Non-Executive Directors Francis McAllister and Guy Le Bel each intend, in principle and subject to contract, to invest up to £100,000 in the Company through participation in the Proposed Placing.
- Mr Al-Jebouri's, Mr McAllister's and Mr Le Bel's investment would be subject to certain conditions, including, inter alia, the agreement of legally binding terms with the Company, the approval of the Prospectus by the FCA, Re-admission occurring contemporaneously with the completion of the Proposed Placing, a minimum commitment of other investors in the Proposed Placing of £800,000 and satisfactory due diligence on the Company and its subsidiaries.
- While Mr Al-Jebouri, Mr McAllister and Mr Le Bel currently intend to invest in the Company on the terms and subject to the conditions described, there is no guarantee that such investment, the Re-admission or the Proposed Placing, will complete on the terms outlined above, or at all.

Gati Al-Jebouri, CEO and Chairman of the Board said: "*These interim financial statements set out the position of our Company less than 1 month after the finalisation of what is a transformational acquisition for our Company going forward. The close of the transaction took a long period of time, mainly due to the difficult market conditions prevailing during the negotiations. The resilience of the team to bring to a successful end the acquisition is proof of their hard work ethics and commitment to the Company, something on which I will be relying to ensure the future growth both of the operations at the Minto Mine as well as further afield. Shareholders have been patient during this period and I recognise that going forward we must aim not to repeat such a long period of suspension of our shares. I thank all shareholders for their understanding and trust that all shareholders will continue to support the Company in the future.*

As the newly appointed CEO and Chairman of the Board, it is my priority to have the Minto Mine operational as quickly as possible, and complete Pembridge's Re-admission. In connection with the proposed Re-admission, we are in discussions with our brokers and potential investors for the Proposed Placing. After I am certain that Pembridge is on a stable financial footing and the Minto Mine is generating free cash flow, then we will be evaluating diligently new investment opportunities. To support the financial position of the Company it is my current intention, along with other members of the board, to invest a total of £2.2 million in the capital raise on the terms set out above – £1.2 million through participation in the issuance of new ordinary shares by the Company in the Proposed Placing and £1 million in the form of a long term (more than 1 year) convertible loan.

I look forward to working with the Selkirk First Nation authorities, the management and staff of the Minto Mine, our co-investors in the Minto Mine and all our shareholders and stakeholders to ensure the future success of our Company."

PEMBRIDGE RESOURCES

Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the EU;
- Give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The interim report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- The interim report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The interim report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Gati Al-Jebouri
CEO & Chairman of the Board
27 September 2019

Consolidated statement of comprehensive income
for the period 1 January to 30 June 2019

	Note	6 months ended 30-Jun-19 US$'000 (unaudited)	6 months ended 30-Jun-18 US$'000 (unaudited)	Year ended 31-Dec-18 US$'000 (audited)
Administrative, legal and professional expenses		(2,885)	(2,231)	(3,829)
Other income		-	31	-
Operating loss		(2,885)	(2,200)	(3,829)
Finance cost		-	-	-
Loss before taxation		(2,885)	(2,200)	(3,829)
Income tax		-	-	-
Loss for the period		**(2,885)**	**(2,200)**	**(3,829)**
Other comprehensive income			-	-
Items that may be reclassified to profit or loss				
Currency translation differences		(101)	-	-
Total comprehensive income for the period		(2,986)	(2,200)	(3,829)
Loss attributable to non-controlling interest		(567)	-	-
Loss attributable to equity holders of the parent		(2,318)	(2,200)	(3,829)
Total comprehensive income attributable to non-controlling interest		(567)	-	-
Total comprehensive income attributable to equity holders of the company		(2,419)	(2,200)	(3,829)
Earnings per share expressed in cents				
Basic and diluted earnings per share attributable to the equity holders of the company	3	(1.04c)	(0.98c)	(1.71c)

Consolidated statement of financial position
as at 30 June 2019

	At 30 June 2019 US$'000 (unaudited)	At 30 June 2018 US$'000 (unaudited)	At 31 December2018 US$'000 (audited)
Assets			
Non-current assets			
Property, plant and equipment	12,287	16	15
Goodwill	7,109	-	-
Mining assets	24,091	-	148
Long term deposit	2,454	-	-
Total non-current assets	45,941	16	163
Current assets			
Trade and other receivables	405	737	240
Inventory	2,387	-	-
Prepayments	193	-	-
Cash and cash equivalents	9,787	119	151
Total current assets	12,772	856	391
Total assets	**58,713**	**872**	**554**
Non-current liabilities			
Acquisition liability	(10,000)	-	-
Borrowings	(103)	-	(103)
Deferred tax liability	(1,658)	-	-
Deferred revenue	(11,496)	-	-
Asset retirement obligation	(24,774)	-	-
Total non-current liabilities	(48,031)	-	(103)
Current liabilities			
Trade and other payables	(5,445)	(902)	(1,831)
Borrowings	(8,312)	-	(279)
Total current liabilities	(13,757)	(902)	(2,110)
Total liabilities	**(61,788)**	**(902)**	**(2,213)**
Net liabilities	**(3,075)**	**(30)**	**(1,659)**
Equity			
Share capital (Note - 4)	295	1,306	295
Non-controlling interest	1,003	-	-
Share premium	2,902	2,902	2,902
Other reserve	66	165	66
Capital redemption reserve	1,011		1,011
Retained deficit	(8,251)	(4,403)	(5,933)
Foreign currency translation reserve	(101)	-	-
Equity attributable to shareholders of the parent company	**(3,075)**	**(30)**	**(1,659)**

Consolidated Statement of changes in equity
for the period 1 January to 30 June 2019

	Share capital	Share premium	Capital Redemption Reserve	Other reserve	Retained deficit	Total	Non-controlling interest	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2019	**295**	**2,902**	**1,011**	**66**	**(5,933)**	**(1,659)**	**-**	**(1,659)**
Loss for the period	-	-	-	-	(2,318)	(2,318)	(567)	(2,885)
Other comprehensive income	-	-	-	(101)	-	(101)	-	(101)
Total comprehensive income for the period	-	-	-	(101)	(2,318)	(2,419)	(567)	(2,986)
Issue of shares	-	-	-	-	-	-	1,570	1,570
Balance at 30 June 2019	**295**	**2,902**	**1,011**	**(35)**	**(8,251)**	**(4,078)**	**1,003**	**(3,075)**

	Share capital	Share premium	Capital Redemption Reserve	Other reserve	Retained deficit	Total	Non-controlling interest	Total Equity
Balance at 1 January 2018	**1,306**	**2,902**	**-**	**165**	**(2,203)**	**2,170**	**-**	**2,170**
Loss for the period	-	-	-	-	(3,829)	(3,829)	-	(3,829)
Total comprehensive income for the period	-	-	-	-	(3,829)	(3,829)	-	(3,829)
Cancellation of deferred shares	(1,011)	-	1,011	-	-	-	-	-
Warrants expired	-	-	-	(99)	99	-	-	-
Balance at 31 December 2018	**295**	**2,902**	**1,011**	**66**	**(5,933)**	**(1,659)**	**-**	**(1,659)**

	Share capital	Share premium	Capital Redemption Reserve	Other reserve	Retained deficit	Total	Non-controlling interest	Total Equity
Balance at 1 January 2018	**1,306**	**2,902**	**-**	**165**	**(2,203)**	**2,170**	**-**	**2,170**
Loss for the period	-	-	-	-	(2,200)	(2,200)	-	(2,200)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	(2,200)	(2,200)	**-**	(2,200)
Balance at 30 June 2018	**1,306**	**2,902**	**-**	**165**	**(4,403)**	**(30)**	**-**	**(30)**

Consolidated Cash flow statement
for the period 1 January to 30 June 2019

	6 months ended 30 June 2019 US$'000 (unaudited)	6 months ended 30 June 2018 US$'000 (unaudited)	Year ended 31 December 2018 US$'000 (audited)
Cash flows from operating activities			
Loss for the year	(2,885)	(2,200)	(3,829)
Adjusted by:			
Depreciation	3	2	5
	(2,882)	**(2,198)**	**(3,824)**
Movements in working capital			
(Increase)/ decrease in trade and other receivables	(358)	(384)	(344)
Increase/ (decrease) in trade and other payables	3,348	690	1,928
Net cash generated from / (used in) operating activities	**108**	**(1,892)**	**(2,240)**
Cash flows used in investing activities			
Purchase of property, plant and equipment	-	(16)	(18)
Cash acquired from subsidiary	1	-	-
Net cash used in investing activities	1	(16)	(18)
Cash flows used in financing activities			
Proceeds from borrowings	7,957	-	382
Proceeds from issuance of shares	1,570	-	-
Net cash generated from financing activities	9,527	**-**	**382**
Increase/(Decrease) in cash and cash equivalents in the period	**9,636**	**(1,908)**	**(1,876)**
Reconciliation to net cash			
Cash and cash equivalents at the beginning of the period	151	2,027	2,027
Increase/(Decrease) in cash	9,636	(1,908)	(1,876)
Cash and cash equivalents at the end of the period	**9,787**	**119**	**151**

Notes to the condensed consolidated financial statements
for the period 1 January to 30 June 2019

1. NATURE OF OPERATIONS AND GENERAL INFORMATION

The principal activity of Pembridge Resources plc is that of a mining company. The Company owns and operates the Minto copper-gold-silver mine in Yukon, Canada.

Pembridge Resources plc is incorporated and domiciled in England. The address of Pembridge Resources plc's registered office is Suite A, 6 Honduras Street, London EC1Y 0TH. Pembridge Resources plc's shares are admitted to the Standard Segment on the Official List of the London Stock Exchange.

Pembridge Resources plc's financial statements are presented in United States dollars (US$), which is also the functional currency of the Company.

These condensed interim unaudited consolidated financial statements for the six-month period ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group").

These condensed interim financial statements were approved for issue by the Board of Directors on 27 September 2019.

These condensed interim financial statements for the six months ended 30 June 2019 do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements as adopted by the European Union and the Disclosure and Transparency Rules of the UK Financial Conduct Authority. The condensed interim financial statements should be read in conjunction with the annual financial statements for the period ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The principal accounting policies used in preparing the condensed interim financial statements are unchanged from those disclosed in the Company's Annual Report for the year ended 31 December 2018, but are expected to change for the Year Ended 31 December 2019 to properly reflect the assets and liabilities associated with the acquisition and operations of the Minto mine.

The condensed interim financial statements for the six months ended 30 June 2019 and 30 June 2018 are un-reviewed and unaudited. Statutory financial statements for the year ended 31 December 2019 were approved by the Board of Directors on 30 April 2019 and delivered to the Registrar of Companies. The auditors' report on those accounts was disclaimed relating to going concern.

Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial year beginning 1 January 2019

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Company and Group:

Standard		Effective date
IFRS 16	Leases	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019
Annual Improvements	2015 – 2017 Cycle	1 January 2019
IAS 19 (Amendments)	Employee Benefits	1 January 2019
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

The Directors believe that the adoption of these standards has not had a material impact on the financial statements other than changes to disclosures. The Group is currently entering into lease arrangements at the Minto mine that will require accounting under IFRS16 for the year ended 31 December 2019, which are expected to have a material impact.

(b) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the condensed interim financial statements are listed below. The Company intends to adopt these standards, if applicable when they become effective.

Standard		Effective date
IFRS 3 (Amendments)	Business Combinations	1 January 2020*
IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2020*
IAS 8 (Amendments)	Accounting policies, Changes in Accounting Estimates	1 January 2020*

**Not yet endorsed by the EU.*

The Company and Group are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's and Group's results or shareholders' funds.

Going concern

The Group and Company does not have sufficient funds to meet its working capital needs for the next 12 months and further funding will be required either through equity raisings or other financial arrangements to fund working capital and costs associated with a potential acquisition. The Company will seek to raise funds for working capital purposes through a fundraise, and will seek to re-list on the London Stock Exchange, which is subject to shareholder and regulatory approvals. This cannot be guaranteed and there are no legally binding agreements in place at the date of approval of these Financial Statements relating to the raising of additional funds.

The Group and Company will only be able to meet its contracted and committed expenditure for at least the next 12 months with a further injection of funds. The Directors have a reasonable expectation that the Group and Company will be able to raise such funds, and therefore continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these condensed interim financial statements

Risks and uncertainties

As at 30 June 2019 the key risks that could affect the Company in the medium term and the factors that mitigate those risks have not substantially changed from those set out in the Annual Report and Financial Statements for the year ended 31 December 2018, as at that date the Minto mine was still in care-and-maintenance. The Minto mine is still currently in transition from care-and-maintenance to being fully operational, and therefore the risks associated with full operational status are not currently disclosed, but will be disclosed in full in the financial statements for the year ended 31 December 2019.

Segment reporting

In the opinion of the directors that the operations of the Company currently represent one segment, and are treated as such, when evaluating its performance. The chief operating decision maker is the Board of Directors. The Board of Directors reviews management accounts prepared for the Company when assessing performance.

3. EARNINGS PER SHARE

The calculation of the earning per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. The basic and diluted loss per share are the same as the effect of the exercise of share warrants and options would be anti-dilutive.

	6 months ended	6 months ended	Year ended

	30 June 2019 US$'000 (unaudited)	30 June 2018 US$'000 (unaudited)	31 December 2018 US$'000 (audited)
Basic and diluted loss per share (US cents)	(1.04c)	(0.98c)	(1.71c)
Loss for the period	(2,318)	(2,200)	(3,829)
Weighted average number of shares for basic and diluted loss per share	223,849,257	223,849,257	223,849,257

4. SHARE CAPITAL AND PREMIUM

	Number of ordinary Shares	Number of deferred shares	Share Capital-Ordinary US$'000	Capital Redemption Reserve US$'000	Share Premium US$'000	Total US$'000
At 1 January 2019	223,849,257	-	295	1,011	2,902	4,208
At 30 June 2019	**223,849,257**	**-**	**295**	**1,011**	**2,902**	**4,208**

Ordinary shares have attached to them full voting, dividend and capital distribution rights (including on a winding up).

On 16 July 2018 the Company announced the consolidation of every 10 existing ordinary shares of nominal value 0.1 pence each into one ordinary share of nominal value, such consolidation to take place immediately before the shares are re-admitted to listing on the standard segment of the Official List of the UK Financial Conduct Authority and to trading on the main market for listed securities of London Stock Exchange plc

5. RELATED PARTY TRANSACTIONS

The Company has paid remuneration of £120,000 to its Directors for six months ending June 30, 2019.

As previously disclosed in the financial statements for the Year Ended 31 December 2018, the Company entered into a related party transaction with Gati Al-Jebouri on 25 February 2019, borrowing £40,000 in order to fund working capital. The unsecured loan has a two year term, and carries an interest rate of 20% per annum, payable semi-annually in arrears.

6.BUSINESS ACQUISITION

Acquisition of Minto Explorations Ltd

On June 4, 2019 the company acquired all of the outstanding common shares of Minto Explorations Ltd (Minto) from Capstone Mining Corp (Capstone) ("Minto Acquisition").

The consideration for the Minto Acquisition, which is unconditional, comprises up to US$20 million in total payments due to Capstone payable out of future cash flows and realisations from Minto and based on certain hurdles linked to production levels at Minto as well as future copper prices as detailed below.

1. First payment to Capstone of US$5 million will be due once production at Minto has reached a steady state 60% of mill capacity.

2. Second payment to Capstone of US$5 million will be due once production at Minto has reached 60% of mill capacity and the copper price has averaged over US$3.00/lb (US$6,615/t) for two consecutive quarters

3. Final payment to Capstone of US$10 million will be due upon the copper price achieving an average of US$3.50/lb (US$7,717/t) for two consecutive quarters.

The Company consider that the most likely total consideration due for the Minto Acquisition will be US$10 million, and accordingly a liability of $10 million is recorded in the interim consolidated statement of financial position.

The provisional fair values of identifiable assets and liabilities of Minto as at the date of acquisition were:

	Provisional fair value	Carrying value
	$'000	$'000
Cash and cash equivalents	1	1
Inventory	2,326	2,326
Current Assets	2,327	2,327
Investment in subsidiaries	-	627
Plant Property and Equipment	35,464	34,837
Long term deposits	2,372	2,372
Non-current assets	37,836	37,836
Total assets	**40,163**	**40,163**
Income and mining tax	318	318
Current liabilities	318	318
Deferred income tax liability	1,616	1,616
Deferred revenue	11,200	11,200
ARO provision	24,136	24,136
Non-current liabilities	36,952	36,952
Total liabilities	**37,270**	**37,270**
Net Assets acquired	**2,893**	**2,893**

A pro forma adjustment has been made to reflect the initial accounting for the Minto Acquisition by Pembridge, being the elimination of the investment in Minto against the non-monetary assets acquired and recognition of goodwill. Pembridge has made an initial estimate of the fair value of certain assets and liabilities acquired, but will need to fully determine the fair value of the net assets acquired pursuant to the Minto acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a purchase price allocation exercise may result in changes to the amounts shown above for assets, liabilities and goodwill, which may be material. The purchase price allocation process will require a valuation of identifiable intangible assets acquired.

7. BORROWINGS

The Company and Copper Holdings, LLC, a New York based private equity group and Cedro Holdings I, LLC, an entity managed by Lion Point Capital, L.P. (together, the ''Investor Consortium'') entered into the Investor Consortium Financing Agreement on 3 June 2019, pursuant to which the Investor Consortium advanced $10 million to Minto to finance the recommencement of operations. The Investor Consortium shall be entitled to be repaid from all free cash-flows and realisations arising from Minto until the holders of the loan note (i.e., the Investment Consortium, their assignors and successors) have received US$10,000,000 plus interest at a rate of 8% per annum. The Investor Consortium have been granted security over the assets of Minto until such time as the holders of the loan note have been repaid.

8. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 19 September 2019, the Company announced the appointment of Gati Al-Jebouri as CEO and Chairman of the Board. On the same date the following changes also occurred: David Linsley resigned from his directorship and position as Chief Executive Officer; and Francis 'Frank' McAllister stepped down as Non-Executive Chairman, but remains as a Non-Executive Director.