

**PEMBRIDGE RESOURCES PLC**  
**Condensed interim financial statements**  
**for the period from 1 January 2017 to 30 June 2017**

**28 September 2017**

**Pembroke Resources plc  
("Pembroke Resources" or the "Company")  
Interim Results**

Pembroke Resources plc (LON: PERE), the mining focused Special Purpose Acquisition Company ("SPAC") listed on the London Stock Exchange, is pleased to announce its interim results for the six months ended 30 June 2017.

**Highlights:**

- As a material subsequent event to the reporting period, on 21 August 2017 Pembroke Resources de-listed from trading on AIM and commenced trading on the Standard Segment of the Official List of the London Stock Exchange, raising £2.27 million before expenses via the issue of 142,006,062 New Ordinary Shares through a placing and subscription at 1.6 pence per new Ordinary Share.
- Remains focussed on executing its strategy to invest in a portfolio of mining projects diversified across the base and precious metals sector. Focus regions will be the Americas, Europe and sub-Saharan Africa with an emphasis on diversifying across the development cycle.
- Current pipeline comprises several potential transactions that the Company is pursuing active due diligence on

**David Linsley, CEO said:**

"Since the commencement of trading on the Standard Segment of the Official List, our team has stepped up the due diligence process on a number of potential targets that fit within our Investment Strategy. We see these targets as projects that we can successfully execute in a timely manner and leverage our team's expertise to add considerable value. Commodity markets are continuing to strengthen and so the Company is extremely motivated to accomplish its inaugural transaction in 2017."

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**Chairman's statement:**

I am pleased to present the condensed interim financial statements for Pembroke Resources plc results for the half year ended 30 June 2017.

During the period, the Company made a loss of US\$0.74 million. The losses during the period are attributable to costs associated with the recently completed capital raise, the transition to the Standard Segment of the Official Listing on the LSE, a loss of US\$0.16 million on investments made in February this year, and the costs incurred in managing the head office in the UK.

As at 30 June 2017 the Company had US\$0.37 million in cash reserves.

The Company's management has stepped up their due diligence process on a number of potential targets that fit within the Investment Strategy. Any of these targets would be considered an appropriate first deal for the Pembroke vehicle and, while currently at the very preliminary stages, the Company hopes to be able to successfully execute one or more of these target acquisitions by the end of the year. The team is motivated to act in a timely manner given rising commodity prices and improved sentiment in the market.

Rodrick Webster  
Chairman of the Board  
28 September 2017

## Statement of comprehensive income for the period 1 January to 30 June 2017

	Note	6 months ended 30 June 2017 US\$'000 (unaudited)	6 months ended 30 June 2016 US\$'000 (unaudited)	Year ended 31 December 2016 US\$'000 (audited)
Administrative expenses		(619)	(233)	(744)
Impairment of investment in and amounts due from subsidiary undertaking		-	-	(3,263)
Other income		31	180	192
Loss on disposal of financial assets		(158)	-	-
<b>Operating loss</b>		<b>(746)</b>	<b>(53)</b>	<b>(3,815)</b>
Finance cost		-	(4)	-
Loss before income tax		<b>(746)</b>	<b>(57)</b>	<b>(3,815)</b>
Income tax		-	-	-
<b>Loss for the period attributable to the equity holders of the parent</b>		<b>(746)</b>	<b>(57)</b>	<b>(3,815)</b>
<b>Total comprehensive loss for the period attributable to equity holders of the parent</b>		<b>(746)</b>	<b>(57)</b>	<b>(3,815)</b>
<b>Earnings per share expressed in cents</b>				
Basic and diluted loss per share attributable to the equity holders of the company	2	(0.92c)	(0.25c)	(14.9c)

**Statement of financial position  
as at 30 June 2017**

	At 30 June 2017 US\$'000 (unaudited)	At 31 December 2016 US\$'000 (audited)	At 30 June 2016 US\$'000 (unaudited)
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary	-	-	3,567
Property, plant and equipment	2	3	-
<b>Total non-current assets</b>	<b>2</b>	<b>3</b>	<b>3,567</b>
<b>Current assets</b>			
Trade and other receivables	207	38	221
Cash and cash equivalents	366	1,163	175
	<b>573</b>	<b>1,201</b>	<b>396</b>
<b>Total assets</b>	<b>575</b>	<b>1,204</b>	<b>3,963</b>
<b>Current liabilities</b>			
Trade and other payables	(66)	(184)	(58)
<b>Total liabilities</b>	<b>66</b>	<b>(184)</b>	<b>(58)</b>
<b>Net assets</b>	<b>509</b>	<b>1,020</b>	<b>3,905</b>
<b>Equity</b>			
Share capital	1,123	1,048	377
Share premium	287	138	6,556
Merger relief reserve	-	-	4,052
Other reserve	121	112	-
Retained deficit	(1,022)	(278)	(7,080)
<b>Equity attributable to shareholders of the parent company</b>	<b>509</b>	<b>1,020</b>	<b>3,905</b>

**Statement of changes in equity  
for the period 1 January to 30 June 2017**

	Share capital	Share premium	Merger Reserve	Other reserve	Retained deficit	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2017</b>	<b>1,048</b>	<b>138</b>	<b>-</b>	<b>112</b>	<b>(278)</b>	<b>1,020</b>
Loss for the period	-	-	-	-	(746)	(746)
Total comprehensive income for the period	-	-	-	-	(746)	(746)
Value of share options	-	-	-	9	-	9
Issue of shares	75	149	-	-	-	224
Total transactions with owners recognised directly in equity	75	149	-	9	-	233
<b>Balance at 30 June 2017</b>	<b>1,123</b>	<b>287</b>	<b>-</b>	<b>121</b>	<b>(1,022)</b>	<b>509</b>
<b>Balance at 1 January 2016</b>	<b>377</b>	<b>6,556</b>	<b>4,052</b>	<b>-</b>	<b>(7,024)</b>	<b>3,961</b>
Loss for the year	-	-	-	-	(3,815)	(3,815)
Total comprehensive income for the year	-	-	-	-	(3,815)	(3,815)
Cancellation of share premium via Court Order	-	(6,556)	-	-	6,556	-
Proceeds from shares issued	586	216	457	-	-	1,259
Direct cost of shares issued	-	(80)	-	-	-	(80)
Value of placing warrants	-	(97)	-	97	-	-
Value of share options	-	-	-	15	-	15
Share based payments	85	99	-	-	-	184
Realisation of merger reserve on distribution of subsidiary undertaking	-	-	(4,509)	-	4,509	-
Distribution of subsidiary via dividend in specie	-	-	-	-	(504)	(504)
Total transactions with owners recognised directly in equity	671	(6,418)	(4,052)	112	10,561	874
<b>Balance at 31 December 2016</b>	<b>1,048</b>	<b>138</b>	<b>-</b>	<b>112</b>	<b>(278)</b>	<b>1,020</b>
<b>Balance at 1 January 2016</b>	<b>377</b>	<b>6,556</b>	<b>4,052</b>	<b>-</b>	<b>(7,024)</b>	<b>3,961</b>
Loss for the period	-	-	-	-	(57)	(57)
Total comprehensive income for the period	-	-	-	-	(57)	(57)
<b>Balance at 30 June 2016</b>	<b>377</b>	<b>6,556</b>	<b>4,052</b>	<b>-</b>	<b>(7,080)</b>	<b>3,905</b>

## Cash flow statement for the period 1 January to 30 June 2017

	6 months ended 30 June 2017 US\$'000 (unaudited)	6 months ended 30 June 2016 US\$'000 (unaudited)	Year ended 31 December 2016 US\$'000 (audited)
<b>Cash flows from operating activities</b>			
Loss for the period/year	(746)	(57)	(3,815)
Adjusted by:			
Share option charge	9	-	15
Share based payments	-	-	184
Impairment of investment in subsidiary	-	-	3,063
Depreciation	1	-	-
Loss on disposal of financial assets	158	-	-
	<b>(578)</b>	<b>(57)</b>	<b>(553)</b>
Movements in working capital			
(Increase)/ decrease in trade and other receivables	(94)	(204)	(21)
Increase/ (decrease) in trade and other payables	(118)	(10)	116
<b>Net cash used in operating activities</b>	<b>(790)</b>	<b>(270)</b>	<b>(458)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment	-	-	(3)
Purchase of investments	(200)	-	-
Proceeds from sale of investments	193	-	-
<b>Net cash used in investment activities</b>	<b>(7)</b>	<b>-</b>	<b>(3)</b>
<b>Cash flows used in financing activities</b>			
Repayment of borrowings	-	(200)	(200)
Proceeds from issuance of shares	-	-	1,259
Direct cost of share issue	-	-	(80)
<b>Net cash (outflows) / inflow from financing activities</b>	<b>-</b>	<b>(200)</b>	<b>979</b>
<b>Increase/(Decrease) in cash and cash equivalents in the period</b>	<b>(797)</b>	<b>(470)</b>	<b>518</b>
<b>Reconciliation to net cash</b>			
Cash and cash equivalents at the beginning of the period	1,163	645	645
Increase/(Decrease) in cash	(797)	(470)	518
<b>Cash and cash equivalents at the end of the period</b>	<b>366</b>	<b>175</b>	<b>1,163</b>

## **Notes to the financial statements for the period 1 January to 30 June 2017**

### **1. NATURE OF OPERATIONS AND GENERAL INFORMATION**

The principal activity of Pembridge Resources plc is a holding company. The Company anticipates investing in businesses or projects in the natural resource sector with a particular interest in base and precious metals.

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\$'000), which is also the functional currency of the Company.

These condensed interim financial statements were approved for issue by the Board of Directors on x September 2017.

These condensed interim financial statements for the six months ended 30 June 2017 do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

The results for the half-year period to 30 June 2016 have been restated for comparability in order to reflect only the Company's financial results, and not the consolidated results as previously stated.

### **2. BASIS OF PREPARATION**

The unaudited condensed interim financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, using the recognition and measurement principles of International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRSs). The Group has complied with IAS 34 "Interim Financial Reporting". The principal accounting policies used in preparing the condensed interim financial statements are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2016 and are expected to be consistent with those policies that will be in effect at the year end.

The condensed interim financial statements for the six months ended 30 June 2017 and 30 June 2016 are un-reviewed and unaudited. The comparative financial information does not constitute statutory financial statements within the meaning of the Companies Act 2006. Statutory financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 10 May 2017 and delivered to the Registrar of Companies. The auditors' report on those accounts was unmodified, but did include an emphasis of matter relating to going concern. The audit report did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

#### **Going concern**

In common with many investment companies, the Company raises finance for its activities in discrete tranches. The Company has not generated revenues from operations. As such, the Company's ability to continue to adopt the going concern assumptions will depend upon a number of matters including future successful capital raisings for necessary funding or loans from third parties. Note 7 provides details of the share placing completed by the Company subsequent to the period end.

The Directors consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2017.



## Risks and uncertainties

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 2016.

## 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 earnings 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 30 June 2017 (unaudited)	6 months ended 30 June 2016 (unaudited)	Year ended 31 December 2016 (audited)
Basic and diluted loss per share (US cents)	(0.92c)	(0.25c)	(14.9c)
Loss before tax (US\$'000)	(746)	(57)	(3,815)
Weighted average number of shares for basic and diluted loss per share	80,665,480	23,076,924	25,671,810

## 4. INVESTMENT IN SUBSIDIARY

	30 June 2017 US\$'000	31 December 2016 US\$'000	30 June 2016 US\$'000
China Africa Resources Namibia (pty) Ltd			
Opening balance	-	3,567	3,567
Impairment	-	(3,063)	-
Distribution to shareholders via dividend in specie	-	(504)	-
Closing balance	-	-	3,567

China Africa Resources Namibia (pty) Ltd was 100% owned by the Company and incorporated in the Republic of Namibia. The principal activity of China Africa Resources Namibia (pty) Ltd was exploration and evaluation of mining assets in Namibia. The company was acquired on 11 August 2011 by the issue of 6,326,923 ordinary 1p shares at a price of 40p, being the market price on the date of acquisition. The acquisition price was converted to US dollars at an exchange rate of 1.642, being the exchange rate at the date of the transaction. The principal reason for this acquisition was to develop the Berg Aukas Mine project in Namibia.

On 14 December 2016 the Company disposed of its sole interest, the Berg Aukus Mine project, held through its wholly owned subsidiary, China Africa Resources Namibia (pty) Ltd, through the completion of an in specie distribution. The special dividend was independently valued at 1.75 pence per share and totalled £403,846 (equivalent to US\$504,000).

## 5. SHARE CAPITAL AND PREMIUM

<b>Allotted, called up and fully paid – ordinary shares of 1p each</b>	Number of shares	Share capital US\$000	Share premium US\$000	Total US\$000
At 1 January 2016	23,076,924	377	6,556	6,933
Cancellation of share premium	-	-	(6,556)	(6,556)
Proceeds from share issue at 2.17p per share	46,082,948	586	216	802
Cost of share issue	-	-	(80)	(80)
Value of placing warrants	-	-	(97)	(97)
Share based payments	6,679,724	85	99	184
At 31 December 2016	75,839,596	1,048	138	1,186
Share based payments	6,003,599	75	149	224
At 30 June 2017	81,843,195	1,123	287	1,410

The Company cancelled its share premium on 28 September 2016 via a Certificate of Registration by Order of Court.

The total share premium arising from the fundraise in the year ended 31 December 2016 amounted to \$673,000. Of this amount, \$216,000 has been recognised in the share premium account and \$457,000 recognised in the merger relief reserve. 31,320,046 out of the 46,082,948 new ordinary shares were issued as consideration shares in exchange for shares subscribed for by investors in a newly incorporated company created for this purpose on admission.

During the period ended 30 June 2017, 6,003,599 shares were issued for investments in Global Exploration Technologies (pty) Ltd (“GET”) and US Lithium (pty) Ltd (“USL”).

## 6. SHARE BASED PAYMENTS

	Options and warrants Number	Average exercise price (pence)
At 1 January 2016	-	-
Granted	53,082,948	4.34
At 31 December 2016	53,082,948	4.34
Granted	3,000,000	4.34
At 30 June 2017	<u>56,082,948</u>	<u>4.34</u>

During the period ended 30 June 2017, 3,000,000 options were issued to consultants. The options have an exercise price of 4.34 pence per share with a three year exercise life. The options vested immediately upon grant. The fair value of the options, amounting to \$9,000, has been included within administrative expenses within the statement of comprehensive income.

## 7. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 July 2017 the Company raised an aggregate of £2.27 million (before expenses) via the issue of 142,006,062 new Ordinary Shares through a placing and subscription at 1.6 pence per new Ordinary Share. The Company's Ordinary Shares were de-listed from trading on AIM at 7am on 21 August 2017 and commenced trading on the Standard Segment of the Official List of the London Stock Exchange on 21 August 2017.

## 8. RELATED PARTY TRANSACTIONS

The controlling party of Pembridge Resources plc is East China Mineral Exploration and Development Bureau for Non Ferrous Metals, whose immediate holding company is HK ECE.

	30 June 2017 US\$'000	31 December 2016 US\$'000
<b>Company</b>		
The Company had the following transactions with Weatherly International plc, a company in which Roderick Webster and John Bryant are non executive directors		
Management Fee paid	21	126
Trade payables	7	-
The Company had the following transactions with HK ECE, a shareholder of the Company.		
Loans repaid during the year	-	(200)
The Company had the following transactions with Value Generation Limited, a company controlled by Paul Johnson		
Consultancy services paid	-	96

## **9. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union and that report includes a fair review of the information required by DTR 4.2.7 and 4.2.8, namely:

- An indication of the important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions for the first six months and any material changes in the related party transactions described in the last annual report.