30 April 2018

Altyn Plc

("Altyn" or the "Company")

Results for the year ended 31 December 2017

Altyn Plc (LSE:ALTN) an exploration and development company, is pleased to announce its results for the year ended 31 December 2017.

Highlights

Underground development & exploration

- The transport decline was taken from the developmental level of 225masl down to 150masl.

- Access portal, for the second transport decline was completed during H2 2017.

- The processing plant was overhauled involving a number of replacement parts/equipment, to ensure efficient working at higher volume levels.

- Capital investment of US$2.6m (2016: US$5.6m) which included a new load-haul-dumper (LHD), and drilling machine at Sekisovskoye.

- Exploration work continued on the prospective Karasuyskoye site with extensive drilling in a number of areas on the site in order to better define the ore bodies and grade content.

Financial highlights

- Turnover increased in the year to US$21.6m (2016: US$15.9m).

- 16,747oz of gold sold (2016: 12,602oz), an increase of 4,145oz.

- Average gold price achieved (including silver as a by- product), US$1,293oz, (2016: US$1,259oz).

- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation and excluding impairment) of US$3.6m (2016: US$260,000).

- EBRD loan was repaid in the year, in the current year capital and interest amounting to US$3.5m was repaid.

- In February 2018 the Company converted US$9.7m of the US$10m bond issued to African Resources into 233,333,333 new ordinary shares. It is the intention to convert the remaining shares and interest into ordinary shares in Q3 2018.

Operational highlights

- Gold poured 16,717oz, (2016: 10,970oz) a 52.4% increase year-on-year, the production was constrained by the closure of the processing plant for maintenance and availability of the necessary equipment.

- Operating cash cost US$774/oz, (2016: US$846/oz).

- Gold recovery rate 83.54% (2016: 80.20%) improvements in processing production techniques.

For further information please contact:

Altyn Plc
Rajinder Basra, CFO +44 (0) 207 932 2456

VSA Capital (Corporate Broker)
Andrew Monk / Andrew Raca +44 (0) 203 005 5000

CHAIRMAN'S STATEMENT

Dear shareholders,

We were expecting to be moving forward towards the targets set in the prior year in terms of production, however our progress was held back by the lack of equipment. Positive progress was made in developing the underground mine in relation to the ore bodies and infrastructure. However the lack of equipment had a direct effect on the level of output and grade achieved.

During the year in order to move the project forward, which requires capital investment, a great deal of work was done with investment advisors and potential lenders. The potential offers were carefully vetted and assessed to ensure that the finance to be provided was the correct fit for the Company. This necessarily involved additional time and resources and the time lines were extended to those originally envisaged. The management are working to ensure that the current funding being accessed for the required investment in equipment is at a competitive price for the shareholders and affordable for the Company. To this end they have identified two sources that will provide the necessary funding required to move the project forward, and are currently in the final stages of confirming the funding.

During the year the Company maintained tight control of costs to conserve working capital, with further savings being made in 2018 both at head office and at subsidiary Company level in Kazakhstan. At Head Office the administrative costs have been reduced by cutting office and professional fees. In the subsidiaries rent, travel and other overheads have been reduced. In Q1 2018 these have been further reduced. Employment costs have been reduced with a rationalisation of the workforce principally at the mine site.

During the year the Company met its commitment to repay the balance of the EBRD loan, which was settled in October 2017. The consequent finance cash flows in relation to servicing of this debt will prove useful in meeting its obligations on any new financial liability.

The decline has now progressed down to 150masl, and a number of ore bodies are now accessible to progress 2018 production.

We are confident from the work conducted so far that the mine will generate a very good return to the shareholders. The underground asset and infrastructure have been developed so that it can deliver the production required, via the new range of equipment to be purchased. This is expected to quickly transform the productive capacity, and move towards the targeted output levels. The recent drilling undertaken at Karasuyskoye has delivered promising results and the Company are expecting to move the project forward to the CPR stage in the near term.

I would like to thank the shareholders for their patience, as I am aware that the gold price was trending up whilst our share price was trending down. Based on the fundamentals and our understanding of the asset we see the long-term future of the Company in a positive light and the patience of shareholders will be rewarded.

With the ore bodies ready for exploitation and infrastructure in place including the refurbished processing plant. The additional equipment will now provide the necessary feed stock to the processing plant to see the results of all the hard work come to fruition.

Finally, may I once again thank all our employees and our Management team for their hard work, and we look forward to an exciting and fruitful year ahead for Altyn.

Kanat Assaubayev
Chairman
30 April 2018

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

The Company is very close to securing the finance to purchase the equipment necessary to increase the output from its current levels to its initial target of 40,000t a month, moving to 70,000t in 2019.

Infrastructure enhancements and progress of the underground decline have been continuing in the year. This will provide a good springboard for increasing the output once the available equipment is in situ.

In terms of expected timelines the production is planned to increase from Q3 2018, once the equipment is commissioned and delivered.

Current developments

The following progress was achieved in developing the underground mine in the year:

- Development of the decline was taken down to 150masl, this gave access to ore bodies 10, 3-8 and ore body 5. There is no further requirement in the short term to develop the decline as this together with the original decline giving access to ore body 11, will provide sufficient mineable ore for the current planned production.

- Ore bodies have continued to be prepared for production however the lack of equipment has been a hindrance in this regard. In addition it has been difficult to target the ore bodies in a precise manner in order to extract the grade of ore as indicated by the exploration drilling, resulting in a higher than expected dilution in the grade.

- The actual overall processing grade achieved in the FY17 was 1.89 g/t (2016:1.66g/t) . As explained this was due to two factors a dilution issue and because lower grade ore stockpiled ore was mixed with the higher-grade ore to maintain operational efficiency in the processing plant. In the year the Company did not have the necessary equipment for contouring and drilling the ore bodies in order to maximise the extraction of the higher grade ore without dilution. The underground ore grade fell to 2.08g/t from 2.70g/t in 2016. The expectation is that these issues will be settled once the new equipment is in place.

- Refurbishment of the processing plant and the preparation of the ore bodies together with the completion of tailings dam 4 in early 2017, now allows for the rapid increase in production once the equipment is in situ expected to be in Q3 2018. The tailings dam will provide sufficient storage for at least three years.

- During the year the company purchased a LHD Fambition (load-haul-dumper used to fill the underground trucks with ore), and a prospect drilling machine, CSK Sondaj – C400 (used to define and contour the ore bodies to target and extract the higher-grade ores).

- In addition, the costs of exploration at Karasuyskoye were capitalised in accordance with the accounting policy this amounted approximately US$1.4m, (475mKzt), which was principally invoiced by third party consultants to conduct detailed geological testing, and project documentation.

Looking forward

- The decline was developed to the 150masl during the year further development of the decline will be limited, as there is sufficient access to the ore bodies at this level which can be prepared for production. Ore body 11 contains on average higher-grade ore and is expected to be mined during 2018.

- Preparatory works will be undertaken to include horizontal shaft development to access ore bodies 3-8,5 and 10 down to this level.

- With the new equipment to come on stream in Q3 2018 the production is expected to increase from this point gradually increasing to the run rate of 70,000t a month.

Capital requirements

An update to the current projected development capital requirements is given in the table below.

Projected capital expenditures underground operations				
	Total US$m	2018 US$m	2019 US$m	2020 US$m
Prospect drilling	**3.7**	0.7	1.5	1.5
Underground development	**5.6**	2.0	1.6	2.0
Infrastructure	**3.4**	3.4	–	–
Ore handling facilities	**19.2**	12.0	4.9	2.3
Process plant & paste plant	**8.6**	1.7	4.5	2.4
Karasuyskoye – exploration	**4.7**	0.9	1.9	1.9
Contingency	**3.5**	2.1	0.7	0.7
Total	**48.7**	22.8	15.1	10.8

In summary part of the capex requirement was met in 2017 from the Company's own resources of the total amount shown above the external funding being sourced is in the range of US$30m – US$35m, the balance will be funded from the Company's operations. The Company has entered into an agreement with Freedom Finance to assist in raising US$15m of the external funding requirement. The Company is also in discussions with another party to provide direct equipment financing. Taken together this will enable to Company to progress its development plans.

Sekisovskoye operational update

The operational performance of the Company's Sekisovskoye gold mine during 2017 against the prior year is shown in the tables below.

Mining - open pit			
		2017	2016
Ore mined	T	**–**	107,586
Gold grade	g/t	**–**	0.91
Silver grade	g/t	**–**	1.60
Contained gold	oz	**–**	3,065
Contained silver	oz	**–**	5,361

Mining - underground			
		2017	2016
Ore mined	T	**287,389**	100,763
Gold grade	g/t	**2.08**	2.70
Silver grade	g/t	**2.80**	3.76
Contained gold	oz	**19,243**	8,757
Contained silver	oz	**25,909**	12,182

Mining – processing			
		***2017**	2016
Crushing	T	**332,502**	258,206
Milling	T	**332,947**	262,546
Gold grade	g/t	**1.88**	1.66
Silver grade	g/t	**2.56**	2.88
Gold recovery	%	**83.54**	80.20
Silver recovery	%	**73.85**	73.45
Contained gold	oz	**20,040**	13,679
Contained silver	oz	**27,138**	22,491
Gold poured	oz	**16,717**	10,970
Silver poured	oz	**19,989**	16,519

*The mining processing relates to nine months as the processing plant was closed for three months for upgrade works.

In the year to December 2017, the ore mined has increased substantially from last year, as extensive preparation work was done on the ore bodies in the prior year and is continuing in to the current year.

The underground gold grade is lower than in 2016, and has dropped from 2.70 to 2.08, this is principally due to the lack of currently available mining equipment to target the ore body in the most efficient way. This led to a higher than anticipated dilution and a lower grade of ore recovered, lower grade ore was being mined from around the targeted ore zone. It is anticipated that the gold grade will increase as more targeted drilling is undertaken once the necessary equipment is available.

During the year the company gold mining grades ranged from a low of 1.50 to a high in a particular month of 2.59. This was a reflection of the amount of development ore that was included within the ore mined. This is not an ideal situation and is expected to be remedied as noted above as further drilling equipment is deployed.

The mineral processing has increased significantly, however it should be noted that the actual processing plant was closed for three weeks for refurbishment in 2017. However there is a significant uplift in production for the period which is encouraging, moving up to 16,717oz of gold poured in comparison to 10,970 in the prior year. The gold production increased from H1 of 7,327oz to 9,390oz in H2, production will only build significantly from this point once the new equipment is deployed.

We are very pleased with the recovery rate of 83.54% (2016 80.20%), the upgrades in the plant processing equipment and revised working methodology has led to this improvement, and the recovery rates are being maintained at current levels.

As in the prior year the processed ore was a mixture of lower grade ore from the stock piles and the developmental ore from the higher grade underground ore bodies. The ore grade was at a low level from the stock piles and was only used in order to keep the plant operational. This process of mixing the ores will be discontinued once sufficient feed stock is generated from the underground sources.

MARKET REVIEW AND SHARE PRICE PERFORMANCE

The share price of the Company has been trading at a low level, and is a disappointment to the Directors, who are of the opinion it does not reflect the true value and potential of the Company.

The Board has worked hard in order to ensure that the Company is set up and restructured to be operationally efficient and to be cost efficient. It has taken time to move to this stage, and the next stage of development is dependent on further funding being made available.

The current share range has seen a drop from the prior year and is the region of 1.0-1.3p (2016: 1.5-2.0p). The Directors feel that this is not a true reflection of the value of the Company and expect the share price to improve significantly as production improves and the potential of the Company is realised.

In addition to the current site which is producing at Sekisovskoye, the Company is pressing ahead with the development of the resources at Karasuyskoye. It is hoped that 2018 will see a significant improvement in the share price as production and profitability improves with a stable gold price. It is expected that the gold price would continue to trade in the range US$1,250-US$1,300 an ounce, similarly no significant impact is expected in exchange rate fluctuations in the forthcoming year, the Tenge is currently trading at 329 to the US Dollar.

FINANCIAL PERFORMANCE

Key performance indicators (KPIs)

Annual gold poured (oz)
16,717oz

2017	**16,717**
2016	10,970
2015	15,994

Revenue (US$m)
US$21.6m

2017	**21.6**
2016	15.9
2015	24.1

Cash production cost (US$oz)
US$774oz

2017	**774**
2016	832
2015	837

Adjusted EBITDA (US$m)
US$3.69m

2017	**3.6**
2016	0.3
2015	(2.3)

Net assets (US$m)
US$33.2m

2017	**33.2**
2016	34.0
2015	38.4

The gold poured increased to 16,717oz this is a significant increase from last year. In terms of production and revenue generation, there is expected to be a significant step up once the Company is able to purchase further equipment. As the Company is still in the process of obtaining the equipment it is expected this will only have the effect of uplifting production significantly in Q3 2018. However production with the current capex levels is also budgeted to increase from 2017 levels, but not by a significant amount. Gold prices are budgeted to remain stable at current levels, and there Is not expected to be any change in the principal customer purchasing the gold.

As in the prior year the company has made used of low grade ore from that remaining in the stock piles this has again led to the low levels of grade and recovery rates, as it was principally used to maintain the operation of the processing plant at efficient levels. As the low grade ore will be used in 2018 a write back has been made to the profit and loss account of US$374,000, to reflect the fact that this stock will be utilised in 2018.

The total cash cost of production, which includes administrative costs but excludes depreciation and provisions, amounted to US$1,075/oz, (2016: US$1,238oz). The operating cash cost amounts to US$774/oz (2015: US$832/oz). This is based on the above but excluding administrative expenses. The cash cost of production has fallen as costs have been controlled in both consumables and the number of workers used to generate the increased level of production. As the level of production increases with tight control over costs, it is anticipated that the cash cost of production will continue to fall to the targeted level of US$540.

The Company has reported a net loss of US$1.9m (2016: US$6.4m), with a gross profit of US$4.2m (2016: US$2.3m). The operational loss is US$484,000 (2016: loss US$4.1m). The reduction in the loss is a reflection of tighter production costs as noted above and partly a result of head office savings, which are budgeted to reduce further in 2018. In Q1 2018 the Company has also further restructured the work force in Kazakhstan by outsourcing the transportation department and reducing the building/maintenance department. The EBITDA is US$3.6m, after adjusting the operating loss of US$484,000 2016:US$4.1m) for depreciation of US$4.5m (2016:US$3.3m), and impairment gain of US$374,000 (2016:lossUS$1.1m)

During 2017, the Company sold 16,747oz of gold (2016 12,602oz). The average price achieved per oz in 2017 was US$1,293 similar to last year, which achieved an average price of US$1,259. The prices are budgeted to stay at similar levels in 2018, and there are no changes anticipated to the sales offtake agreement currently in place to the Kazakh national refinery.

The current cash position and anticipated trading is sufficient for the budgeted capex (with no expansion), and budgeted production for the next year, The principal shareholders have agreed to provide monetary support as necessary, in order to provide any short term financing that may be required.

Cash at year-end was US$704,000 (2016: US$2.2m). resources are sufficient to meet the current working capital requirements. The Company generated an EBITDA of US$3.6m (2016: US$0.3m). Financing commitments can be met from the cash generation of the Company, and are expected to be at a reduced level from the prior year, being principally interest commitments on the US$2m convertible loan and repayment of short term borrowings, in total these are expected to amount to approximately US$1m in 2018. At the start of the year, the Company had convertible bonds amounting to US$12m. In February 2018, US$9.7m of the US$10m issued to the principle shareholder African Resources Limited was converted to 233,333,333 ordinary shares at a conversion price of 3p. The principal shareholders have agreed to defer any loan repayments, in addition it is anticipated that the remaining amounts due under the convertible bond due to African Resources to include accrued interest will be converted into new ordinary shares in Q3 2018.

As stated in the CEO report the Company is in the final stages of obtaining the finance to purchase further capital equipment in order to increase the processing output. Until this is in place costs including further capital investment will be kept at low levels and it is budgeted to be in line with 2017 at approx. US$3m, to include further exploratory work at the Karasuyskoye site.

The consolidated net assets of the Company are US$33.2m (2016: US$33.9m), no significant changes from the prior year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
year ended 31 December 2017

	Notes	**2017 US$000**	2016 US$000
Revenue	3	**21,649**	15,867
Cost of sales		**(17,470)**	(13,554)
Gross profit		**4,179**	2,313
Administrative expenses		**(5,037)**	(5,352)
Impairments – reversed/(Impairment)		**374**	(1,107)
Operating loss		**(484)**	(4,146)
Foreign exchange		**(52)**	283
Finance expense		**(1,381)**	(2,215)
Loss before taxation	4	**(1,917)**	(6,078)
Taxation (charge)/credit		**(12)**	(278)
Loss attributable to equity holders of the parent		**(1,929)**	(6,356)
Loss per ordinary share			
Basic & diluted		**(0.08c)**	(0.3c)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
year ended 31 December 2017

	2017 US$000	2016 US$000
Loss for the year	**(1,929)**	(6,356)
Currency translation differences arising on translations of foreign operations items that may be reclassified to profit or loss	**98**	747
Currency translation differences arising on translations of foreign operations relating to taxation	**1,088**	866
Total comprehensive loss attributable to equity holders of the parent	**(743)**	(4,743)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
year ended 31 December 2017

Company number 5048549	Notes	**2017 US$000**	2016 US$000
Non-current assets			
Intangible assets	5	**11,881**	10,264
Property, plant and equipment	6	**35,163**	37,316
Trade and other receivables		**1,476**	1,100
Deferred tax asset		**6,928**	5,855
Restricted cash		**14**	139
		55,462	54,674
Current assets			
Inventories		**1,713**	1,366
Trade and other receivables		**2,531**	3,096
Cash and cash equivalents		**704**	2,236
		4,948	6,698
Total assets		**60,410**	61,372
Current liabilities			
Trade and other payables		**(7,822)**	(5,877)
Other financial liabilities		**(399)**	(461)
Current tax payable		**–**	(11)
Provisions		**(112)**	(190)
Borrowings		**(724)**	(4,439)
		(9,057)	(10,978)
Net current liabilities		**(4,109)**	(4,280)
Non-current liabilities			
Other financial liabilities		**–**	(254)
Other payables		**(160)**	(190)
Provisions		**(4,512)**	(3,978)
Convertible bonds		**(12,496)**	(11,281)
Borrowings		**(937)**	(700)
		(18,105)	(16,403)
Total liabilities		**(27,162)**	(27,381)
Net assets		**33,248**	33,991
Equity			
Called-up share capital		**3,886**	3,886
Share premium		**141,918**	141,918
Merger reserve		**(282)**	(282)
Other reserve		**333**	333
Currency translation reserve		**(44,618)**	(45,804)
Accumulated losses		**(67,989)**	(66,060)
Total equity		**33,248**	33,991

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
year ended 31 December 2017

	Note	Share capital US$000	Share premium US$000	Merger reserve US$000	Currency translation reserve US$000	Other reserve US$000	Accumulated losses US$000	Total US$000
1 January 2016		3,886	141,918	(282)	(47,417)	–	(59,704)	38,401
Loss for the year							(6,356)	(6,356)
Other comprehensive loss		–	–	–	1,613	–		1,613
Total comprehensive profit		–	–	–	1,613	–	(6,356)	(4,743)
Equity component of loans received		–	–	–	–	333	–	333
31 December 2016		3,886	141,918	(282)	(45,804)	333	(66,060)	33,991
Loss for the year							(1,929)	(1,929)
Other comprehensive income		–	–	–	1,186	–	–	1,186
Total comprehensive loss		–	–	–	1,186	–	(1,929)	(743)
31 December 2017		3,886	141,918	(282)	(44,618)	333	(67,989)	33,248

CONSOLIDATED STATEMENT OF CASHFLOWS
year ended 31 December 2017

	Notes	**2017 US$000**	2016 US$000
Net cash inflow/(outflow) from operating activities		**5,107**	(2,918)
Investing activities			
Purchase of property, plant and equipment	5	**(2,252)**	(4,898)
Exploration costs	6	**(439)**	(396)
Net cash used in investing activities		**(2,691)**	(5,294)
Financing activities			
Loans received		**724**	13,661
Borrowings repaid		**(4,331)**	(3,434)
Interest repaid		**(341)**	(759)
Net cash (outflow)/inflow from financing activities		**(3,948)**	9,468
(Decrease)/increase in cash and cash equivalents		**(1,532)**	1,256
Foreign currency translation		**–**	(104)
Cash and cash equivalents at beginning of the year		**2,236**	1,084
Cash and cash equivalents at end of the year		**704**	2,236

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2017

1 General information

Altyn Plc (the "Company") is a Company incorporated in England and Wales under the Companies Act 2006.

The financial information set out above for the years ended 31 December 2017 and 31 December 2016 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those accounts. Whilst the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards ("IFRS") (as adopted by the European Union), this announcement itself does not contain sufficient financial information to comply with IFRS. A copy of the statutory accounts for 2016 has been delivered to the Registrar of Companies and those for 2017 will be submitted for approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2017 and 31 December 2016 do comply with IFRS.

2 Going concern

To progress the mine to the full projected capacity the Company requires further funding, which the Company has made good progress in putting in place. It is currently in the advanced stages of finalising funding for new equipment from two parties. It is seeking bond finance from one party and direct equipment purchasing from another party, in order to secure he necessary investment.

The Company is continuing to develop its underground mine, production is continuing at a steady pace with gold sold in the current year of 16,747 oz. From the operating cash flows generated the Company paid the balance of the EBRD loan, which with interest amounted to US$3.5m. In order to preserve cash flow, savings have been made in overhead costs at both head office and subsidiary level. In January 2018, African Resources Limited converted US$9.7m of the US$10m convertible loan debt into new ordinary shares. No interest was paid in relation to this loan in the year and it is expected that the balance of the bond to include accrued interest will be converted inti new ordinary shares in Q3 2018.

The Directors have reviewed the cash flows for 15 months from the date of approval of the financial statements based on the projected trading. The Directors are confident that should the fund raising not be successful to provide the funds in the expected timeframe the Company will be able to adapt its operational plans such that it continues to operate.

Furthermore the major shareholder has confirmed their intention to provide further funding to enable the Company to continue its planned operations for at least twelve months from the date of approval of the financial statements.

On this basis the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

3 Revenue

An analysis of the Company's revenue is as follows:

	2017	2016
	US$000	US$000
Sale of gold and silver	**21,649**	15,867

Included in revenues from sale of gold and silver are revenues of US$21,294,000 (2016: US$15,862,000) which arose from sales of precious metals to one customer based Kazakhstan. Other sales amounted to US$355,000 (2016 US$5,000), and related to sale of surplus materials and consumables.

4 Loss per ordinary share

The calculation of basic and diluted earnings per share from continuing operations is based upon the retained loss from continuing operations for the financial year of US$1.9m (2016: loss of US$6.4m).

The weighted average number of ordinary shares for calculating the basic loss in 2017 and 2016 is shown below. As the Company was loss making in 2017, the impact of the potential ordinary shares outstanding from the conversion of the Convertible loan notes would be anti-dilutive, and as such the basic and diluted earnings per share are the same. The total number of all non-dilutive potential shares related to the issue of the convertible loans is disclosed in Note 22 of the Annual Report.

	2017	2016
Basic and diluted	**2,334,342,130**	2,334,342,130

5 Intangible assets

	Karasuyskoye geological data	Exploration and evaluation costs	US$000
Cost			
1 January 2016	11,139	–	11,139
Translation difference	206	–	206
Additions	–	396	396
Amortisation capitalized	–	322	322
31 December 2016 & 1 January 2017	11,345	718	12,063
Translation difference	79	–	79
Transfer		157	157
Additions	–	1,430	1,430
Amortisation capitalized	–	1,021	1,021
31 December 2017	**11,424**	**3,326**	**14,750**
Amortisation			
1 January 2016	1,252	–	1,252
Charge for the year	553	–	553
Translation difference	(6)	–	(6)
31 December 2016 & 1 January 2017	1,799	–	1,799
Charge for the year	1,021	–	1,021
Translation difference	49	–	49
31 December 2017	**2,869**	**–**	**2,869**
Net book value			
1 January 2016	9,887	–	9,887
31 December 2016	9,546	718	10,264
31 December 2017	**8,555**	**3,326**	**11,881**

The intangible assets relate to the historic geological information pertaining to the Karasuyskoye ore fields. The ore fields are located in close proximity to the current open pit and underground mining operations of Sekisovskoye. The Company obtained a contract for exploration and evaluation on the site in May 2016 from the Kazakh authorities. The contract is valid for a period of 6 years, which is a right to extend for a minimum period of 4 years.

They took the view that initially a 20 year write off was appropriate in relation to the absorption of the costs with extension given the current development of the site, this has been revised to write off the geological data over the period the licence expires being with the minimum extension to May 2026 a period of 10 years. The costs amortised are capitalised in line with the Company's accounting policy. The effect is to increase the amortisation charge from US$522,000 to US$1,021,000, there is no effect on the income statement as the amortisation costs are capitalised as part of exploration and evaluation costs. Based on results of further work performed during the year, the Directors do not consider there to be any indicators of impairment and consider the project to remain prospective.

6 Property, plant and equipment – Company

	Motor vehicle US$000	Equipment US$000	Total US$000
Cost			
1 January 2016	70	467	537
31 December 2016 & 2017	70	467	537
Accumulated depreciation			
1 January 2016	58	110	168
Charge for the year	12	67	79
31 December 2016	70	177	247
Charge for the year	–	83	83
31 December 2017	70	260	330
Net book value			
1 January 2016	12	357	369
31 December 2016	–	290	290
31 December 2017	–	207	207

6 Property, plant and equipment – Group

	Mining properties and leases US$000	Freehold, land and buildings US$000	Equipment, fixtures and fittings US$000	Plant, machinery and vehicles US$000	Assets under construction US$000	Total US$000
Cost						
1 January 2016	8,390	9,080	11,101	4,374	19,419	52,364
Additions	–	217	1,056	1,376	2,891	5,540
Disposals	–	–	(663)	–	(1)	(664)
Transfers	–	14,788	505	–	(15,293)	–
Transfers to inventories	2,817	–	–	–	(3,194)	(377)
Currency translation adjustment	144	156	190	75	333	898
31 December 2016 & 1 January 2017	11,351	24,241	12,189	5,825	4,155	57,761
Additions	1,196	38	399	283	686	2,602
Disposals	–	(15)	(257)	(53)	(133)	(458)
Transfer to exploration & evaluation costs	(157)	–	–	–	–	(157)
Transfers	(1,513)	2,465	(829)	2,469	(2,651)	(59)
Currency translation adjustment	(34)	22	44	4	49	85
31 December 2017	**10,843**	**26,751**	**11,546**	**8,528**	**2,106**	**59,774**
Accumulated depreciation						
1 January 2016	2,121	3,989	8,058	3,061	–	17,229
Charge for the year	102	1,016	1,573	376	–	3,067
Disposals	–	–	(216)	–	–	(216)
Currency translation adjustment	39	95	169	62	–	365
31 December 2016 & 1 January 2017	2,262	5,100	9,584	3,499	–	20,445
Charge for the year	222	2,498	1,452	336	–	4,508
Disposals	–	(15)	(208)	(40)		(263)
Transfers	(180)	(290)	(1,871)	2,282		(59)
Currency translation adjustment	2	(33)	6	5	–	(20)
31 December 2017	**2,306**	**7,260**	**8,963**	**6,082**	**–**	**24,611**
Net book value						
1 January 2016	6.269	5,091	3,043	1,313	19,419	35,135
31 December 2016	9,089	19,141	2,605	2,326	4,155	37,316
31 December 2017	**8,537**	**19,491**	**2,583**	**2,446**	**2,106**	**35,163**

Capitalised cost of mining property and leases are amortised over the life of the licence from commencement of production on a unit of production basis. This basis uses the ratio of production in the period compared to the mineral reserves at the end of the period. Mineral reserves estimates are based on a number of underlying assumptions, which are inherently uncertain. Mineral reserves estimates take into consideration estimates by independent geological consultants. However, the amount of mineral that will ultimately be recovered cannot be known until the end of the life of the mine.

Any changes in reserve estimates are, for amortisation purposes, treated on a prospective basis. The recovery of the capitalised cost of the Company's property, plant and equipment is dependent on the development of the underground mine.

The Directors are required to consider whether the non-current assets comprising, mineral properties leases, plant and equipment have suffered any impairment. In determining if there any indicators of impairment, the Directors have considered the operational performance in the period and do not consider that there is an indicator of impairment. Should an indicator of impairment have been identified, the recoverable amount would have been determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The directors have concluded that no adjustment is required for impairment.

7 Availability of accounts

The audited Annual Report and Financial Statements for the 12 months ended 31 December 2017 and notice of AGM will shortly be sent to shareholders and published at: www.altyn.uk