

# ALTYN PLC

## Interim report - six months to 30 June 2018

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Altyn Plc ("Altyn" or the "Company"), the gold mining and development company, announces its unaudited results for the six months to 30 June 2018.

### Highlights:

#### Mine development

- During the period the Company concentrated on the development of the ore bodies, no further development has been undertaken on the decline as there are currently sufficient access points to the ore bodies for the current production plans.
- Ore extracted from the underground mine increased in line with projections to a high point of 38,000t a month in June 2018. The average extraction was lower at approximately 25,000t due to planned maintenance work reducing the ore extracted in March and April 2018.
- Developmental work was carried out at the mine at 214 masl, in relation to ore bodies 3-8 and at 185 masl in relation to ore body 11 giving access to 260,000 tons of ore for future production at an average grade of 2.53g/t.
- Exploration work at Karasuyskoye continued in line with the development plans. Three sites within the contract licence area have been identified as having potential for early development. The Company has applied to the appropriate ministry for an addendum to the licence to extract 10,000 tons of test production ore.

#### Production

- Gold recovery is averaging 83.65%, in line with that achieved during year end 31 December 2017, the expectation is that the recoveries will continue at this level for the foreseeable future, until further equipment is purchased.
- H1 2018 gold production from Sekisovskoye was 8,461oz, compared with H1 2017 of 7,327oz.
- The actual milled ore was 182,000 tons (H1 2017 131,000 tons), in the current period, (as last year), it included lower grade stockpiled ore at 0.5g/t.

#### Financial

- The turnover has increased to US\$10.9m (H1 2017 US\$9.2m), an increase of 18%. The gold price achieved averaged US\$1,322oz during the period (Year 2017 US\$1,293).
- The Company made an operating profit of US\$1.6m (H1 2017 loss - US\$109,000), with a net profit before taxation of US\$603,000 (H1 2017 Loss US\$1.2m). In part this was due to operational cost savings at head office and at the mine site, the latter being due to labour cost savings with in the transportation and production departments.
- During the period bonds to the value of US\$9.7m were converted into equity shares in the company at a value of £0.03p per share.
- The total cash cost of production was US\$883oz (Year 2017 US\$899oz).
- EBITDA achieved was positive at US\$3.6m (Year 2017 US\$2.5m).
- Cash flow from operating activities was positive at US\$2.5m, (2017 US\$1.6m) the Company has benefitted from the fact that it currently has a low gearing, with lower financial loan commitments than in the past.
- Cash balances at 30 June 2018 were US\$201,000 and are sufficient for current operational requirements.

#### Fund raising

- The expectation was that funding would be in place during H2 2018. However there has been a delay in the ability of Freedom Finance to provide funding to Altyn in the time frames required. The Company is still continuing with its discussions with Freedom Finance, to obtain the funding necessary but is also looking at other providers.
- The Company is currently in active discussions with banks and other providers in Kazakhstan. However the management want to ensure that any future funding is on terms and conditions which are for the long term benefit of shareholders and are trying to achieve the most favourable terms possible. The Company will update shareholders as plans progress.

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**Aidar Assaubayev, CEO of Altyn Plc commented:**

*The management are currently in active discussions with banks and other providers in Kazakhstan to raise the necessary funds required to fulfil its project plans. We are positive the necessary funding can be put in place as required for the project development but want to ensure that it is for the long term benefit of shareholders and on the most favourable terms possible with regards to the cost of financing.*

*The Company is cash generative at its current production levels and has rationalised operations in order to conserve the cash resources going forward.*

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**Information on the Company**

Altyn Plc (LSE:ALTN) is an exploration and development company, which is listed on the standard segment of the London Stock Exchange.

To read more about Altyn Plc please visit our website [www.altyn.uk](http://www.altyn.uk)

**ALTYN PLC**  
**Chief Executive Review**

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**H1 2018 Review**

**Mine development**

In Q2 2018, the Company has concentrated on developing the productive ore bodies. The decline was developed to horizon 150 Masl in 2017 and in the current period was not developed further due to the fact that sufficient ore bodies are accessible to extract ore.

The actual ore mined ranged from a low of 11,000 tons in March to a higher level of 38,000 tons in June 2018, resulting in an average tonnage over 6 months of 25,000 tons. The lower level of ore mined in March 2018 was due to scheduled maintenance at the mine site. The expected run rate each month is expected to move into the range of 30-35,000 tons each month going forward.

As already stated the significant ramp up in production is dependent on further capital investment. During the current period the Company is continuing to successfully develop the ore bodies with the available equipment and has developed ore bodies 3-8 and 11 for production in the next period.

The production over the past half year was mainly from the group of ore bodies 1,8,10 and in June from ore body 11 and was extracted from levels ranging from 242 Masl to 185 Masl. Due to the level of developmental ore included, the actual ore grade fluctuated from a high of 2.78 to a low of 1.53 resulting in a lower than expected grade from the ore mined of 1.96.

**Karasuyskoye**

In addition to the underground mine development the Company is continuing to develop its prospective site at Karasuyskoye.

The following has been completed so far Core drilling has been undertaken of 1,500 metres, air drilling of 5,500 linear metres, and the open pit has been excavated amounting to 5,500 cubic metres. Test production will be undertaken once the necessary permits have been obtained.

**H1 2018 Operational Overview – Sekisovskoye**

<b>Underground mine</b>		<b>H1 2018</b>	<b>H1 2017</b>
Ore extracted	tons	152,639	151,400
Gold grade	g/t	1.96	2.14
Silver grade	g/t	3.34	2.40

<b>Mineral processing</b>		<b>H1 2018</b>	<b>H1 2016</b>
Milling	tons	182,832	131,238
Gold grade	g/t	1.72	2.06
Silver grade	g/t	2.98	2.29
Gold recovery	%	83.65%	81.76%
Silver recovery	%	74.29%	71.37%
Gold produced	ounces	8,461	7,327
Silver produced	ounces	12,875	6,484

The Ore extracted is averaging at 25,000 tons a month, the difference between the ore extracted and the milling at an average of 30,000 tons a month is due to the use of lower grade stockpiled ore. The stockpiled ore has a grade of 0.5%, leading to a processed grade of 1.72 overall (2017 2.06).

## **ALTYN PLC**

### **Chief Executive Review**

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The gold recovery is in line with that achieved in year ended 2017 and is currently expected to be maintained at this level going forward. The improvement in recoveries is expected once new capital is employed specifically the gravity concentration plant, the installation is dependent on future capital investment funds being made available.

The underground ore grade continues to be lower than that forecast as it contains a higher quantity of development ore being mined leading to a decrease in the gold grade, again the increase in grade is dependent on the deployment of additional mining equipment.

#### **Moving forward**

The Company's long term plan is to increase production by targeting the ore bodies in a more defined way, pushing the grade up, and at the same time increasing the volume of ore mined. The management have been working hard to in order to raise the necessary funds, however due to circumstances they have not been able to continue with the previous providers. As a result, they are now looking to fund the capital expenditure for the project from new sources of finance, and are in active discussions with banks in Kazakhstan, and will update shareholders as they progress. However the time lines in relation to a significant increase in production are expected to move as a result of the delays in obtaining the appropriate finance.

The Company will continue to improve the mine, developing the decline and ore bodies, with in the restrictions of the current available plant and capital available.

#### **H1 2018 Financial Review**

The Company has reported a gross profit of US\$2.6m for H1 2018, against US\$1.6m for H1 2017, with turnover of US\$10.9m (H1 2017 US\$9.2m).

Sekisovskoye produced 8,461oz of gold in H1 2018 (H1 2017:7,327oz). Gold sold during the period amounted to 8,235oz (H1 2017 7,437oz) at an average price of US\$1,323/oz (H1 2017: US\$1,237/oz). The average price of sales achieved includes revenues generated from silver sales in the period, which are treated as incidental to gold production.

The operating cash cost of production (cost of sales excluding depreciation and provisions) for the period was US\$731/oz (Year 2017 US\$661/oz). The total cash cost was US\$883/oz as compared to US\$899/oz in year ended 2017. Cost rationalisations were made in the early part of 2018 both at head office and at the mine site. At the mine site the transport department was outsourced and the maintenance department reduced which resulted in cost savings from the prior period.

As of 30 June 2018, the Company had cash balances of US\$201,000. The Company currently has sufficient cash resources to operate at current production levels.

During the period the Company converted US\$9.7m of the bond of US\$10m owing to African Resources Limited into share capital, increasing their shareholding to 69.8%. In total there is approximately US\$4.6m due in relation to the convertible bonds of which approximately US\$2.6m is owed to African Resources Limited (including accrued interest), this amount is expected to be converted into share capital in H2 2018.

Aidar Assaubayev  
**Chief Executive Officer**

31 August 2018

**ALTYN PLC**  
**Consolidated income statement**

	<b>Six months ended 30 June 2018</b>	Six months ended 30 June 2017	Year ended 31 December 2017
	<b>(unaudited) US\$'000</b>	(unaudited) US\$'000	(audited) US\$'000
Revenue	<b>10,894</b>	<b>9,200</b>	15,867
Cost of sales	<b>(8,240)</b>	<b>(7,631)</b>	(13,554)
<b>Gross profit</b>	<b>2,654</b>	<b>1,569</b>	2,313
Administrative expenses	<b>(1,248)</b>	<b>(1,766)</b>	(5,352)
Impairments	<b>176</b>	<b>88</b>	(1,107)
<b>Operating profit/(loss)</b>	<b>1,582</b>	<b>(109)</b>	(4,146)
Foreign exchange	<b>(383)</b>	<b>213</b>	283
Finance Expense	<b>(596)</b>	<b>(1,290)</b>	(2,215)
Profit/(loss) before taxation	<b>603</b>	<b>(1,186)</b>	(6,078)
Taxation	<b>-</b>	<b>14</b>	(278)
<b>Profit/(loss) attributable to equity shareholders</b>	<b>603</b>	<b>(1,172)</b>	(6,356)
<b>Profit/(loss) per ordinary share</b>			
<b>Basic &amp; diluted (US cent)</b>	<b>0.02c</b>	<b>(0.05c)</b>	<b>(0.3c)</b>

**ALTYN PLC**  
**Consolidated statement of profit or loss and other comprehensive income**

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	<b>Six months ended 30 June 2018</b>	Six months ended 30 June 2017	Year ended 31 December 2017
	<b>(unaudited) US\$'000</b>	(unaudited) US\$'000	(audited) US\$'000
Profit/(loss) for the period/year	<b>603</b>	<b>(1,172)</b>	(1,929)
Currency translation differences arising on translations of foreign operations items which will or may be reclassified to profit or loss	<b>(2,027)</b>	<b>1,296</b>	98
Currency translation differences arising on translations of foreign operations relating to taxation			1,088
<b>Total comprehensive (loss)/profit for the period/year attributable to equity shareholders</b>	<b>(1,424)</b>	<b>124</b>	(743)

**ALTYN PLC**  
**Consolidated statement of financial position**

	Notes	Six months ended 30 June 2018  (unaudited) US\$'000	Six months ended 30 June 2017  (unaudited) US\$'000	Year ended 31 December 2017  (audited) US\$'000
<b>Non-current assets</b>				
Intangible asset	3	11,641	11,034	11,881
Property, plant and equipment	4	34,135	36,979	35,163
Other receivables		-	497	1,476
Deferred tax asset		6,750	5,855	6,928
Restricted cash		16	39	14
		<u>52,542</u>	<u>54,404</u>	<u>55,462</u>
<b>Current assets</b>				
Inventories		3,096	2,546	1,713
Trade and other receivables		3,964	3,143	2,531
Cash and cash equivalents		201	1,536	704
		<u>7,261</u>	<u>7,225</u>	<u>4,948</u>
<b>Total assets</b>		<u>59,803</u>	<u>61,629</u>	<u>60,410</u>
<b>Current liabilities</b>				
Trade and other payables		(8,501)	(6,515)	(7,822)
Other financial liabilities		(407)	(536)	(399)
Provisions		(85)	(189)	(112)
Borrowings		(1,557)	(2,451)	(724)
		<u>(10,550)</u>	<u>(9,691)</u>	<u>(10,978)</u>
<b>Net current liabilities</b>		<u>(3,289)</u>	<u>(2,466)</u>	<u>(4,280)</u>
<b>Non-current liabilities</b>				
Other financial liabilities & payables		(120)	(189)	(160)
Provisions		(4,684)	(4,396)	(4,512)
Borrowings		(2,905)	(13,180)	(13,433)
		<u>(7,709)</u>	<u>(17,765)</u>	<u>(18,105)</u>
<b>Total liabilities</b>		<u>(18,259)</u>	<u>(27,456)</u>	<u>(27,162)</u>
<b>Net assets</b>		<u>41,544</u>	<u>34,173</u>	<u>33,248</u>
<b>Equity</b>				
Called-up share capital		4,210	3,886	3,886
Share premium		151,314	141,918	141,918
Merger reserve		(282)	(282)	(282)
Other reserve		333	391	333
Currency translation reserve		(46,645)	(44,508)	(44,618)
Accumulated loss		(67,386)	(67,232)	(67,989)
<b>Total equity</b>		<u>41,544</u>	<u>34,173</u>	<u>33,248</u>

The financial information was approved and authorised for issue by the Board of Directors on 31 August 2018 and was signed on its behalf by:

Aidar Assaubayev – **Chief Executive Officer**

**ALTYN PLC**  
**Consolidated statement of changes of equity**

	Share capital	Share premium	Merger reserve	Currency translation reserve	Other reserves	Accumulated losses	Total
Unaudited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2018	3,886	141,918	(282)	(44,618)	333	(67,989)	33,248
Profit for the period	-	-	-	-	-	603	603
Exchange differences on translating foreign operations	-	-	-	(2,027)	-	-	(2,027)
Total comprehensive profit for the period	-	-	-	(2,027)	-	603	(1,424)
Equity shares issued	324	9,396	-	-	-	-	9,720
<b>At 30 June 2018</b>	<b>4,210</b>	<b>151,314</b>	<b>(282)</b>	<b>(46,645)</b>	<b>333</b>	<b>(67,386)</b>	<b>41,544</b>

Unaudited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2017	3,886	141,918	(282)	(45,804)	333	(66,060)	33,991
Loss for the period	-	-	-	-	-	(1,172)	(1,172)
Exchange differences on translating foreign operations	-	-	-	1,296	-	-	1,296
Total comprehensive loss for the period	-	-	-	1,296	-	(1,172)	124
Share based payment	-	-	-	-	58	-	58
<b>At 30 June 2017</b>	<b>3,886</b>	<b>141,918</b>	<b>(282)</b>	<b>(44,508)</b>	<b>391</b>	<b>(67,232)</b>	<b>34,173</b>

Audited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2017	3,886	141,918	(282)	(45,804)	333	(66,060)	33,991
Loss for the year	-	-	-	-	-	(1,929)	(1,929)
Other comprehensive loss	-	-	-	1,186	-	-	1,186
Total comprehensive loss for the year	-	-	-	1,186	-	(1,929)	(743)
<b>At 31 December 2017</b>	<b>3,886</b>	<b>141,918</b>	<b>(282)</b>	<b>(44,618)</b>	<b>333</b>	<b>(67,989)</b>	<b>33,248</b>



**ALTYN PLC**  
**Notes to the consolidated financial information**

		<b>Six months ended 30 June 2018</b>	Six months ended 30 June 2017	Year ended 31 December 2017
	Note	<b>(unaudited) US\$'000</b>	unaudited US\$'000	(audited) US\$'000
<b>Net cash inflow from operating activities</b>	7	2,504	1,639	5,107
<b>Investing activities</b>				
Purchase of property, plant and equipment		(2,397)	(966)	(2,252)
Exploration costs		-	(264)	(439)
<b>Net cash used in investing activities</b>		(2,397)	(1,230)	(2,691)
<b>Financing activities</b>				
Loans received		-	756	724
Loans and Interest paid		(610)	(1,865)	(4,672)
<b>Net cash flow from financing activities</b>		(610)	1,109	(3,948)
<b>(Decrease)/increase in cash and cash equivalents</b>		(503)	700	(1,532)
<b>Cash and cash equivalents at the beginning of the period/year</b>		<b>704</b>	<b>2,236</b>	2,236
<b>Cash and cash equivalents at end of the period/year</b>		<b>201</b>	<b>1,536</b>	704

**ALTYN PLC**  
**Notes to the consolidated financial information**

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**1. Basis of preparation**

*General*

Altyn Plc is registered and domiciled in England and Wales, whose shares are publicly traded on the London Stock Exchange.

The interim financial results for the period ended 30 June 2018 are unaudited. The financial information contained within this report does not constitute statutory accounts as defined by Section 434(3) of the Companies Act 2006.

This interim financial information of the Company and its subsidiaries ("the Group") for the six months ended 30 June 2018 have been prepared, in accordance with IAS34 ( interim financial statements) and on a basis consistent with the accounting policies set out in the Group's consolidated annual financial statements for the year ended 31 December 2017. It has not been audited, does not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2017. The 2017 annual report and accounts, as filed with the Registrar of Companies, received an unqualified opinion from the auditors.

The financial information is presented in US Dollars and has been prepared under the historical cost convention.

The same accounting policies, presentation and method of computation are followed in this consolidated financial information as were applied in the Group's latest annual financial statements except that in the current financial year, the Group has adopted a number of revised Standards and Interpretations. However, none of these have had a material impact on the Group.

In addition, the IASB has issued a number of IFRS and IFRIC amendments or interpretations since the last annual report was published. It is not expected that any of these will have a material impact on the Group.

*Going concern*

The current cash position is sufficient to cover ongoing operating and administrative expenditure for the next 12 months from the date these accounts were released.

The Directors consider that the cash generated from its operations from the Group's producing assets to be sufficient to cover the expenses of running the Group's business for the foreseeable future.

In terms of financing the underground development, the Company will not be incurring any substantial capital expenditure until further capital funds are raised under terms acceptable to the Company.

The Company has therefore adopted the going concern basis in the preparation of these financial statements.

**ALTYN PLC**  
**Notes to the consolidated financial information (continued)**

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*Directors Responsibility Statement and Report on Principal Risks and Uncertainties*  
Responsibility statement

The Board confirms to the best of their knowledge:

The condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

The interim management 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 condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

DTR 4.2.8R of the Disclosures and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period; and any changes in the related party transactions described in the last annual report that could do so.

The Company's management has analysed the risks and uncertainties and has in place control systems that monitor daily the performance of the business via key performance indicators. Certain factors are beyond the control of the Company such as the fluctuations in the price of gold and possible political upheaval. However, the Company is aware of these factors and tries to mitigate these as far as possible. In relation to the gold price the Company is pushing to achieve a lower cost base in order to minimise possible downward pressure of gold prices on profitability. In addition, it maintains close relationships with the Kazakhstan authorities in order to minimise bureaucratic delays and problems.

Risks and uncertainties identified by the Company are set out on page 8 and 9 of the 2017 Annual Report and Accounts and are reviewed on an ongoing basis. There have been no significant changes in the first half of 2018 to the principal risks and uncertainties as set out in the 2017 Annual Report and Accounts and these are as follows:

- Fiscal changes in Kazakhstan
- No access to capital / funding for Sekisovskoye or Karasuyskoye
- Commodity price risk
- Currency risk
- Changes to mining code in Kazakhstan
- Reliance on operating in one country
- Reliant on one operating mine
- Technical difficulties associated with developing the underground mine at Sekisovskoye
- Failure to achieve production estimates

**2. Profit/(loss) per ordinary share**

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares and retained profit/(loss) for the financial period for calculating the basic loss per share for the period are as follows:

	<b>Six months ended 30 June 2018  (unaudited)</b>	Six months ended 30 June 2017  (unaudited)	Year ended 31 December 2017  (audited)
The basic weighted average number of ordinary shares in issue during the period	2,528,508,797	2,334,342,130	2,334,342,130
The profit/(loss) for the period attributable to equity shareholders (US\$'000s)	603	(1,172)	(1,929)

**ALTYN PLC**  
**Notes to the consolidated financial information (continued)**

**2. Profit/(loss) per ordinary share (continued)**

The potential number of shares which could be issued following the conversion of the bonds currently outstanding amounts to approximately 198m shares being issued on conversion.

<b>3. Intangible assets</b>	Karasuskoye Geological data	Exploration and evaluation costs	US\$'000
<b>Cost</b>			
1 January 2017	11,345	718	12,063
Additions	-	264	264
Amortisation capitalised	-	297	297
Reclassified	-	142	142
Currency translation adjustment	495	30	525
30 June 2017	11,840	1,451	13,291
Additions	-	1,166	1,166
Amortisation capitalised	-	724	724
Reclassified	-	15	15
Currency translation adjustment	(416)	(30)	(446)
December 2017	11,424	3,326	14,750
Amortisation capitalised	-	581	581
Currency translation adjustment	(338)	-	(338)
<b>30 June 2018</b>	<b>11,086</b>	<b>3,907</b>	<b>14,993</b>
<b>Accumulated amortisation</b>			
1 January 2017	1,799	-	1,799
Charge for the period	297	-	297
Currency translation adjustment	161	-	161
30 June 2017	2,257	-	2,257
Charge for the period	724	-	724
Currency translation adjustment	(112)	-	(112)
31 December 2017	2,869	-	2,869
Charge for the period	581	-	581
Currency translation adjustment	(98)	-	(98)
<b>30 June 2018</b>	<b>3,352</b>	<b>-</b>	<b>3,352</b>
<b>Net books values</b>			
30 June 2017	9,583	1,451	11,034
31 December 2017	8,555	3,326	11,881
<b>30 June 2018</b>	<b>7,734</b>	<b>3,907</b>	<b>11,641</b>

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. In May 2016 the Company was awarded an exploration and evaluation contract, which is valid for six years, with a right to extend for a further 4 years. The company is in process of applying for a test production licence which is expected to be received in the near term.

Ongoing costs in relation to exploration and evaluation are capitalised.

**ALTYN PLC**  
**Notes to the consolidated financial information (continued)**

**4. Property, plant and equipment**

	Mining properties and leases	Freehold land and buildings	Plant, Equipment fixtures and fittings	Assets under construction	Total
	US\$000	US\$000	US\$000	US\$000	US\$000
<b>Cost</b>					
1 January 2017	11,351	24,241	18,014	4,155	57,761
Additions	500	5	492	242	1,239
Disposals	-	-	(140)	-	(140)
Transfers	(1,682)	2,335	1,682	(2,335)	-
Currency translation adjustment	303	827	561	203	1,894
30 June 2017	10,472	27,408	20,609	2,265	60,754
Additions	696	33	190	444	1,363
Disposals	-	(15)	(170)	(133)	(318)
Transfers	12	130	(42)	(316)	(216)
Currency translation adjustment	(337)	(805)	(513)	(154)	(1,809)
31 December 2017	10,843	26,751	20,074	2,106	59,774
Additions	1,837	2	141	417	2,397
Disposals	-	-	(262)	-	(262)
Transfers	389	7	8	(404)	-
Currency translation adjustment	(488)	(686)	(679)	-	(1,853)
30 June 2018	12,581	26,074	19,282	2,119	60,056
<b>Accumulated depreciation</b>					
1 January 2017	2,262	5,100	13,083	-	20,445
Charge for the period	127	1,275	1,310	-	2,712
Disposals	-	-	(112)	-	(112)
Currency translation adjustment	75	166	489	-	730
30 June 2017	2,464	6,541	14,770	-	23,775
Charge for the period	95	1,223	478	-	1,796
Disposals	-	(15)	(136)	-	(151)
Transfers	(180)	(290)	411	-	59
Currency translation adjustment	(73)	(199)	(478)	-	(750)
31 December 2017	2,306	7,260	15,045	-	24,611
Charge for the period	124	1,254	839	-	2,217
Disposals	-	-	(147)	-	(147)
Currency translation adjustment	(65)	(240)	(455)	-	(760)
30 June 2018	2,365	8,274	15,282	-	25,921
<b>Net Book Values</b>					
1 January 2017	9,089	19,441	4,931	4,155	37,316
30 June 2017	8,008	20,867	5,839	2,265	36,979
31 December 2017	8,537	19,491	5,029	2,106	35,163
<b>30 June 2018</b>	<b>10,216</b>	<b>17,800</b>	<b>4,000</b>	<b>2,119</b>	<b>34,135</b>

The additions in the period relate to the continuing works associated with the underground mine.

**ALTYN PLC**  
**Notes to the consolidated financial information (continued)**

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**5. Reserves**

A description and purpose of reserves is given below:

<b>Reserve</b>	<b>Description and purpose</b>
Share capital	Amount of the contributions made by shareholders in return for the issue of shares.
Share premium	Amount subscribed for share capital in excess of nominal value.
Share based payment	Amount accrued in relation to the share based payment charge relating to the share options issued.
Merger Reserve	Reserve created on application of merger accounting under a previous GAAP.
Currency translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into US Dollars.
Accumulated losses	Cumulative net gains and losses recognised in the consolidated statement of financial position.

**ALTYN PLC**  
**Notes to the consolidated financial information (continued)**

**6. Related party transactions**

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 - "Related Party Disclosures". The total amount remaining unpaid with respect to remuneration of key management personnel amounted to US\$148,000 (December 2017 US\$127,000).

	<b>Six months ended 30 June 2018</b>	Six months ended 30 June 2017	Year to December 2017
	<b>US\$</b>	US\$	US\$
Short term employee benefits	<b>73,500</b>	154,050	350,736
	<b>73,500</b>	154,050	350,736
Social security costs	<b>7,132</b>	14,954	33,813
	<b>80,632</b>	169,004	384,549

The reduction in remuneration is due to a reduced remuneration being taken by the chief Executive Officer.

During the period, the company entered into the following transactions with companies in which the Assaubayev family have a controlling interest:

- An amount is owing to Asia Mining Group of US\$522,000, (2017:US\$824,000) and is included within trade payables.
- Loans at an average in interest rate of 7% were made to the Company by Amrita Investments Limited. The total amount currently outstanding including accrued interest amounts to US\$850,000 (31 December 2017 US\$937,000), the loans are repayable in 2019.
- In February 2016 the Company issued US\$10m of convertible bonds to African Resources Limited. The bonds carry a coupon rate of 10% per annum payable semi-annually in arrears on 29 February and 29 July each year. Unless the bonds are re-purchased and cancelled redeemed or converted prior to the scheduled maturity date, they will be repaid in February 2021 at their principal amount. Of the original amount US\$9.7m of the bonds were converted into Ordinary shares at 3p per share in February 2018. At 30 June 2018 an amount of US\$2.6m, including accrued interest was payable on the remaining bonds, the expectation is that the remaining bonds will be converted into share capital in H2 2018.

The transactions incurred by the Company were on normal commercial terms.

**ALTYN PLC**  
**Notes to the consolidated financial information (continued)**

**7. Notes to the cash flow statement**

	<b>Six months ended 30 June 2018 (unaudited) US\$000's</b>	<b>Six months ended 30 June 2017 (unaudited) US\$000's</b>	<b>Year ended 31 December 2017 (audited) US \$000's</b>
Profit/(loss) before taxation	603	(1,186)	(1,917)
Adjusted for			
Finance expense	596	1,290	2,834
Depreciation of tangible fixed assets	2,217	2,709	4,508
Amortisation of intangibles	-	-	231
Change in provisions	-	(99)	(374)
(Increase)/decrease in inventories	(1,383)	(1,144)	20
Decrease in other financial liabilities	(92)	(229)	(316)
Increase in trade receivables	41	718	195
Decrease/(increase) in trade and other payables	4	(295)	1,374
Loss on disposal of property, plant and equipment	135	27	195
Fair value adjustment	-	56	(1,453)
Foreign currency translation	383	(213)	52
<b>Cash inflow from operations</b>	<b>2,504</b>	<b>1,634</b>	<b>5,118</b>
Income taxes	-	5	(11)
	<b>2,504</b>	<b>1,639</b>	<b>(5,107)</b>

**8. Events after the balance sheet date**

There were no significant post balance sheet events to report.

This report will be available on our website at [www.altyn.uk](http://www.altyn.uk)



**ALTYN PLC**  
**Company information**

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Directors	Kanat Assaubayev Aidar Assaubayev Sanzhar Assaubayev Neil Herbert Ashar Qureshi Victor Shkolnik	Chairman Chief executive officer Executive director Non-Executive director Non-executive director Non-executive director
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Secretary	Rajinder Basra
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Registered office and number	Company number: 05048549 28 Eccleston Square London SW1V 1NZ Telephone: +44 208 932 2455
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Company website	<a href="http://www.altyn.uk">www.altyn.uk</a>
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Kazakhstan office	10 Novostroyevskaya Sekisovskoye Village Kazakhstan Telephone: +7 (0) 72331 27927 Fax: +7 (0) 72331 27933
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Auditor	BDO LLP, 55 Baker Street, London W1U 7EU
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Registrars	Neville Registrars 18 Laurel Lane Halesowen West Midlands B63 3DA Telephone: +44 (0) 121 585 1131
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Bankers	NatWest Bank plc London City Commercial Business Centre 7th Floor, 280 Bishopsgate London EC2M 4RB  LTG Bank AG Herrengasse 12 FL-9490, Vaduz Principal of Liechtenstein
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