

## **EQUATORIAL MINING AND EXPLORATION PLC**

**(“EME” OR THE “COMPANY”)**

### **CHAIRMAN’S STATEMENT**

#### **Interim Results for the six months ended 30th June 2017**

In the AGM statement announced on the 26<sup>th</sup> June, we disclosed that we had established a new open cast mining prospect in the Kogi State in central Nigeria. The mining lease is owned by a Nigerian company (Aira Integrated Resources Nigeria Limited “Aira”) which opened a mine in 2016 but as a result of a local disagreement, was forced to abandon the project.

Our wholly owned subsidiary, EME Mine Nigeria Limited signed a formal agreement on 24 July 2017 with Aira to re-open and run the mine in return for Exploitation Rights (a royalty “share”). The Exploitation Rights Agreement has a life of three years and is renewable. The actual mining work is to be contracted to a Spanish owned excavation company called EHP Development Limited (“EHP”). The owner and the foreman of EHP are both Spaniards living in Nigeria and they will work closely with our Director of Operations; Nuno Castanhinha, a Portuguese engineer resident full time in Abuja.

In addition, we were fortunate to engage the services of a Commercial Manager, Peer Holzendruff, who settled in Nigeria from Germany many years ago. He joins the mine site team to oversee customer fulfilment and the day to day commercial aspects of our coal business.

The mine, to be called the St Leonard mine, is planned to open for commercial business in October and I am busily teeing up local customers. I envisage that sales will be low initially as we test the market and establish a fair price for our first class product but should build to an optimum level of production over the ensuing 6 months.

Reading today’s interim report, it is evident that we continue to advance our operations and maintain the fabric of the Company on an extremely tight budget and through occasional financial contributions from a small handful of highly valued private investors including the directors.

In the past two months we raised £40,000 in the form of loan securities from two private individuals and the Board frequently meets new potential investors in Britain and in Nigeria.

Our survival as a NEX Exchange quoted company wouldn’t be tenable if it was not for the patience of our professional advisers and directors who continue to support the company diligently with little or no compensation. I am extremely grateful to these friends of EME and I believe that their reward will come this year.

I look forward to delivering a further update at the year end.

19 September 2017

#### **Enquiries:**

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<b>NEX Exchange Adviser and Broker</b> <b>Alexander David Securities</b> James Dewhurst	+44 (0) 207 448 9820

The Directors take responsibility for this announcement

**EQUATORIAL MINING AND EXPLORATION PLC**

**UNAUDITED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	<b>6 Months to 30 June 2017 GBP'000</b>	<b>6 Months to 30 June 2016 GBP'000</b>	<b>Year to 31 December 2016 GBP'000</b>
Administrative expenses	(110)	(132)	(181)
Provision against loan advanced to related party	(7)	-	(82)
Share-based compensation	-	-	(1,242)
Profit/(loss) from operations	<u>(117)</u>	<u>(132)</u>	<u>(1,505)</u>
Investment income (expense)	-	(7)	(47)
Profit/(loss) before taxation	<u>(117)</u>	<u>(139)</u>	<u>(1,552)</u>
Taxation	-	-	-
Profit/(loss) from continuing operations	<u><u>(117)</u></u>	<u><u>(139)</u></u>	<u><u>(1,552)</u></u>
Earnings/(loss) per share (note 3)			
Basic and diluted (pence)	<u><u>(0.002)</u></u>	<u><u>(0.003)</u></u>	<u><u>(0.029)</u></u>

**EQUATORIAL MINING AND EXPLORATION PLC**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED  
30 JUNE 2017**

	<b>6 Months to 30 June 2017 GBP'000</b>	<b>6 Months to 30 June 2016 GBP'000</b>	<b>Year to 31 December 2016 GBP'000</b>
Profit/(loss) for the period	<u>(117)</u>	<u>(139)</u>	<u>(1,552)</u>
Total comprehensive income	<u><u>(117)</u></u>	<u><u>(139)</u></u>	<u><u>(1,552)</u></u>

**EQUATORIAL MINING AND EXPLORATION PLC**

**UNAUDITED STATEMENT OF CHANGES FOR THE SIX MONTHS ENDED  
30 JUNE 2017**

	<b>Share capital GBP'000</b>	<b>Share premium GBP'000</b>	<b>Retained earnings GBP'000</b>	<b>Share-based compensation reserve GBP'000</b>	<b>Investments in own shares GBP'000</b>	<b>Total GBP'000</b>
Balance as at 1 January 2017	592	1,528	(3,798)	1,313	(133)	(498)
Total recognised income and expense for the period	-	-	(117)	-	-	(117)
Issue of new shares	14	-	-	-	-	14
Balance at 30 June 2017	<u>606</u>	<u>1,528</u>	<u>(3,915)</u>	<u>1,313</u>	<u>(133)</u>	<u>(601)</u>
Balance as at 1 January 2016	476	1,204	(2,244)	71	(79)	(572)
Total recognised income and expense for the period	-	-	(139)	-	-	(139)
Balance at 30 June 2016	<u>476</u>	<u>1,204</u>	<u>(2,383)</u>	<u>71</u>	<u>(79)</u>	<u>(711)</u>

**EQUATORIAL MINING AND EXPLORATION PLC**

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	As at 30 June 2017 GBP'000	As at 30 June 2016 GBP'000	As at 31 December 2016 GBP'000
<b>Assets</b>			
Non-current assets			
Investments	2	-	2
	<hr/>	<hr/>	<hr/>
Current assets			
Trade and other receivables	8	81	8
Cash and cash equivalents	5	46	16
	<hr/>	<hr/>	<hr/>
	13	127	24
	<hr/>	<hr/>	<hr/>
Total assets	15	127	26
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Equity and liabilities</b>			
Share capital	601	476	592
Investment in own shares	(133)	(79)	(133)
Share premium account	1,528	1,204	1,528
Share-based compensation reserve	1,313	71	1,313
Retained earnings	(3,915)	(2,383)	(3,798)
	<hr/>	<hr/>	<hr/>
Total equity	(601)	(711)	(498)
<b>Current liabilities</b>			
Trade and other payables	572	478	524
<b>Long term liabilities</b>			
Convertible loan	44	360	-
	<hr/>	<hr/>	<hr/>
Total equity and liabilities	15	127	26
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**EQUATORIAL MINING AND EXPLORATION PLC**

**UNAUDITED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED  
30 JUNE 2017**

	6 Months to 30 June 2017 GBP'000	6 Months to 30 June 2016 GBP'000	Year to 31 December 2016 GBP'000
<b>Cash flows from operating activities</b>			
Profit/(Loss) before income tax	(117)	(139)	(1,552)
Share-based compensation	-	-	1,242
Finance income (cost)	-	7	9
	<u>          </u>	<u>          </u>	<u>          </u>
Operating cash flows before movement in working capital and provisions	(117)	(132)	(301)
(increase)/decrease in trade and other receivables	-	(60)	13
(Decrease)/increase in trade and other payables	48	(139)	(95)
	<u>          </u>	<u>          </u>	<u>          </u>
Net cash used in operating activities	<u>(69)</u>	<u>(331)</u>	<u>(383)</u>
<b>Cash flows from investing activities</b>			
Interest received	-	2	-
Interest paid	-	(9)	(9)
Investment in own issued share capital	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Net cash generated from investing activities	<u>-</u>	<u>(7)</u>	<u>(9)</u>
<b>Cash flows from financing activities</b>			
Increase in shareholder loans	44	360	-
Issue of new shares	14	-	384
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>58</u>	<u>360</u>	<u>384</u>
Net decrease in cash and cash equivalents	(11)	22	(8)
Net cash and cash equivalents at beginning of period	<u>16</u>	<u>24</u>	<u>24</u>
Net cash and cash equivalents at end of period	<u><u>5</u></u>	<u><u>46</u></u>	<u><u>16</u></u>

# EQUATORIAL MINING AND EXPLORATION PLC

## NOTES TO THE ACCOUNTS

FOR SIX MONTHS ENDED 30 JUNE 2017

### 1. Basis of preparation of interim report

The financial information for the period ended 30 June 2017 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It has been prepared in accordance with the accounting policies set out in, and is consistent with, the audited financial statements for the twelve months ended 31 December 2016. A copy of the statutory accounts for the period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

### 2. Going concern

The Directors are of the opinion that the financial information should be prepared on a going concern basis. As described clearly in the 2016 annual report, the Company continues to be prepared on a going concern basis. Whilst the Company remains low on working capital the Directors are managing costs and the company remains in a similar position as that set out in the annual report. The Company is seeking further funding to advance its interests and execute its strategy and remains optimistic that this will be successful.

### 3. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted earnings/(loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted earnings/(loss) per share is based on the following figures.

	<b>6 Months to 30 June 2017 GBP'000</b>	<b>6 Months to 30 June 2016 GBP'000</b>	<b>Year to 31 December 2016 GBP'000</b>
Total profit/(loss) for the period	(117)	(139)	(1,552)
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of shares – basic	5,971,538,354	4,756,941,670	5,341,116,533
Basic earnings/(loss) per shares	(0.002p)	(0.003p)	(0.029p)
Diluted earnings/(loss) per share	(0.002p)	(0.003p)	(0.029p)

### 4. Reports

A copy of this announcement will be mailed to shareholders and copies will be available for members of the public at the Company's registered office: Finsgate, 5-7 Cranwood Street, London, EC1V 9EE.

