

# GOLDBRIDGES GLOBAL RESOURCES PLC

## Interim report - six months to 30 June 2015

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GoldBridges Global Resources Plc (“GoldBridges” or the “Company”), the gold mining and development company, announces its unaudited results for the six months to 30 June 2015.

### Highlights:

#### Production

- H1 2015 gold production from Sekisovskoye of 8,823 ounces (H1 2014: 12,694 ounces), in line with company expectations;
- Increase in total ore mined to 357,992 tonnes in H1 2015 from 343,242 tonnes in H1 2014;
- Total underground ore mined increased by 232% to 60,586 tonnes when compared to H1 2014;
- Contribution of ore from the underground mine increased to 17% of total ore mined (H1 2014: 8%);
- 8% decrease in cash costs to US\$682/oz versus US\$744/oz in H1 2014.

#### Financial

- Revenue for the period of US\$12.8m (H1 2014: US\$16.7m), impacted by lower global gold prices;
- Cost of sales of US\$9.5m, reduced from US\$11.6m in H1 2014;
- Gross profit of US\$3.3m in H1 2015, compared to US\$5.1m in H1 2014;
- Equity capital raisings in excess of US\$5.0m during the period;
- In August 2015, the Kazakh Tenge devalued by more than 30% on floating - expected to bring significant operating cost benefits to the company.

#### Strategic

- Continued underground exploration drilling, increased knowledge gained from the Venmyn Deloitte study in order to update the geological model;
- Detailed plans and budgets developed and approved with local authorities to access underground reserves by decline with expected capex savings in the order of 50% in comparison to the shaft method;
- Underground expansion works proceeding, supported by financial commitment from strategic shareholder African Resources;
- Increasing contribution from underground production as the open pit operations are wound down. Expected closure of the open pit in H2 2015;
- Continuation of preparatory works in relation to Karasuyskoye project, whilst the licence application process continues – decision expected in H2 2015.

### Maxim Strelnikov, COO of GoldBridges Global Resources Plc commented:

*“During the first half of this year, the Company has completed a great deal of background work in relation to both the Sekisovskoye mine and the Karasuyskoye ore fields. We have made good progress in transitioning our Sekisovskoye mine from an open pit to a solely underground operation and this work is underway whilst we continue to optimise mine development plans. We are pleased to have made the decision to access our substantial underground reserves using a decline rather than a shaft, as our initial projections suggest that this will decrease capital expenditure by in the order of 50% of the costs estimated in the Competent Person’s Report by Venmyn Deloitte, published in November 2014. We look forward to providing progress updates in the near future. In addition, we anticipate that the recent devaluation of the Kazakh Tenge will result in both operational and capital cost benefits for the Company.”*

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
Interim report - six months to 30 June 2015

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**Information on the Company**

GoldBridges is a gold mining, exploration and development group based in Kazakhstan. Whilst the Company was initially established to exclusively develop and operate the Sekisovskoye gold and silver mine in the East Kazakhstan Region, it is now actively targeting additional gold mining opportunities in Kazakhstan. This includes the adjacent prospective Karasuyskoye Ore Fields, on which GoldBridges was recently awarded the tender to perform further confirmatory testing in order to gain the sub-soil user licence.

The Company holds a 100 per cent shareholding in DTOO Gornorudnoe Predpriatie Sekisovskoye ("DGPS") which holds a subsoil use contract in relation to the Sekisovskoye deposit, covering a total area of 0.855km<sup>2</sup>. The subsoil use contract for Sekisovskoye is valid until 2020 and the Company currently intends to seek to extend the contract in accordance with its terms. The Company also holds a 100 per cent shareholding in DTOO Altai Ken-Bayitu LLP which owns and operates the processing plant at the Sekisovskoye deposit. The Sekisovskoye deposit is located at the village of Sekisovka, approximately 40km north of the town of Ust-Kamenogorsk, the capital city of the East Kazakhstan Region. The current operation is focused on mining two open pits where the near-vertical deposits extend to the surface. The open pits are nearing their end of life in 2015, and the Company is developing an underground extension to exploit the deposits to depth.

The Company intends that the Sekisovskoye deposit shall become a selective-mining underground operation. As at 31 May 2014, the Company's proven and probable reserves consisted of 2.3Moz of gold and 3.0Moz of silver and the Company's measured, indicated and inferred resources consisted of 5.1Moz of gold and 3.5Moz of silver, in each case as classified in accordance with JORC.

In the year ended 31 December 2014, the Company's consolidated revenue was US\$35.2 million and its EBITDA was US\$5.3 million.

**H1 2015 Review**

In H1 2015, GoldBridges has continued to expand its understanding of the Sekisovskoye underground mine in Kazakhstan, conducting additional drilling and revising the geological model. In particular, the Company has been optimising the development plans that we delivered to the market in the Competent Person's Report (CPR) published in November 2014.

The first half of 2015 has been a period of transition at Sekisovskoye as our open pit mine nears completion and we prepare for our future as a solely underground operation. During this period we have increased our mined production year on year (357,992 tonnes in H1 2015 against 343,242 tonnes in H1 2014) and, given that our mill throughput was 296,959 tonnes, we have an additional 60,000 tonnes stockpiled for processing during H2 2015. This will supplement mined production during H2 2015 as our open pit is expected to close during this period. In the six months to June 2015, we have produced 8,823oz of gold at Sekisovskoye.

During H1 2015, we increased the contribution of ore mined from the underground operation to 17% of total mined production, from the 8% that was achieved in H1 2014. Our operational priority will remain to continue to increase production from the underground mine as we move towards our target of producing 100,000 ounces of gold annually by 2018.

In November 2014, we released the results of the Competent Person's Report on the underground development project for our Sekisovskoye gold deposit, which was conducted by independent consultants Venmyn Deloitte. The study validated our underground development plans and estimated JORC compliant probable reserves of 2.26 million ounces at a gold grade of 4.09g/t and both indicated and inferred resources of 5.14 million ounces.

The study originally envisaged sinking a shaft to access the gold reserves, with the sinking of the shaft and all other capital expenditure estimated at US\$130 million. The study assumed an increase in annual gold output to in excess of 100,000 ounces by 2018 and estimated operating costs of US\$518/oz. The net present value of this development project at a gold price of US\$1,166/oz and a discount rate of 9.3% was US\$239 million. During H1 2015, we have been optimising this work with a view to reducing as much as possible the initial capital expenditure required to achieve our target of 100,000 ounces of gold production by 2018.

To that end, we recently announced that we have reviewed all development options for the mine and, rather than take the more traditional shaft-sinking approach, we have made the decision to access the reserve base by a decline. Decline haulage using underground trucks is a commonly used and well proven method around the world to extract ore from similar deposits to that at Sekisovskoye. Importantly, according to preliminary estimates, we believe that taking the decline approach could reduce our initial capital investment by approximately 50%.

During H1 2015, there has been a successful capital raising of £3.4 million (US\$5.1m), through the placing of 123 million new shares at a price of 2.8p/share, and we thank our existing and new shareholders for their support and belief in our business. The net proceeds of this placing will be used to fund working capital and the expansion of our underground mine, which is underway.

## **GOLDBRIDGES GLOBAL RESOURCES PLC**

### **Chief Executive's review (*continued*)**

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In August 2015, we announced that GoldBridges received a commitment from our key shareholder, African Resources, to provide financing to cover the Company's capital requirements if necessary. The Company is in detailed discussions with other parties regarding potential financing for completion of the expansion, and will continue these discussions. However, with African Resources' commitment to fund some or all of the underground expansion project, the Company has already intensified its underground expansion activities and is confident in project development.

The Karasuyskoye operation is being progressed with detailed planning and preparatory work being in progress. In 2014, GoldBridges' subsidiary Altay Ken-Bait LLP won the tender for the right to use the subsoil for gold exploration on the Karasuyskoye site. The exploration plan has been undertaken and is currently being assessed by Kazakhstan authorities prior to being further approved by the Central Committee for Exploration and Development under the Ministry of Investment and Development of Kazakhstan. We expect the sub-soil use contract to be drawn up and approved in full in H2 2015.

Since our underground and financing update, the decision was taken by the Kazakh government to float the Kazakh Tenge and, in doing so, this resulted in a devaluation of the currency by more than 30%. We anticipate that this will result in significant operational and capital cost savings.

### **Outlook**

Given that GoldBridges has already announced that it will access its underground reserves by a decline rather than a shaft, we are now in the process of finalising our capital expenditure and operating cost estimates. In lowering our initial capital expenditure, we believe we have increased our financing options. We will update the market as appropriate regarding potential sources of capital.

We expect our current open pit reserves at Sekisovskoye to be depleted during H2 2015. While we will continue to increase our mined output from our underground operations, as a result we may experience reduced gold output for 2015, when compared to 2014. That said, we remain focused on the medium and long term future of the Company, which is the significant underground reserves that we are currently developing.

# GOLDBRIDGES GLOBAL RESOURCES PLC

## Operations report

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### H1 2015 Operational Overview

#### Sekisovskoye mining activity

	H1 2015	H1 2014
Total ore mined, open pit (t)	297,406	317,085
Total ore mined, underground (t)	60,586	26,157
Total ore milled (t)	296,959	333,490
Open pit gold grade (g/t)	1.20	1.32
Underground gold grade (g/t)	2.46	2.97
Average gold grade (g/t)	1.27	1.42
Average silver grade (g/t)	2.09	2.15
Gold recovery (%)	73.2	83.4
Gold produced (oz)	8,823	12,694
Silver produced (oz)	11,630	17,380

In H1 2015, mining operations at Sekisovskoye performed in line with expectations. Mining activities were focused on the higher grade areas of the remaining open pit reserves and in expanding output from the underground operations. Total mined ore from both the open pit and underground mine in H1 2015 increased year on year from 343,242 tonnes to 357,992 tonnes, an improvement of 4.3%. Total ore milled was slightly lower at 296,959 tonnes (H1 2014: 333,490 tonnes).

Given that the Sekisovskoye open pit reserves are nearing depletion, it was expected that the open pit gold grade would decrease during 2015. This has been the case as the average open pit gold grade was 1.2g/t Au, against 1.32g/t during H1 2014. While the underground gold grade was below that of 2014 (H1 2015: 2.46g/t, H1 2014: 2.97g/t), this remains reflective of development ore and will therefore vary in the near term. GoldBridges remains confident that, once the underground mine is fully developed and expanded, it can deliver ore to the Sekisovskoye mill with an average gold grade of above 4g/t Au, as highlighted in the November 2014 Competent Person's Report (CPR).

At 296,959 tonnes, total ore milled was below total tonnes mined, Sekisovskoye therefore has approximately 60,000 tonnes of additional stockpiles to supplement its mined production in H2 2015 when it is expected that the open pit mine will close. At 73.2%, gold recovery was lower than the 83.4% achieved in H1 2014 and lower than normal for the Sekisovskoye processing plant. This was due to variable grade and ore composition, and also reflected plant improvement works undertaken during the period. Recoveries have since returned to those which are more normal for the plant – above 80%.

As the proportions of sulphidic minerals in the ore and the amount of gold in fine grains increases during underground mining, the characteristics of the free gold generally improve, and some changes were made to the ore process in the plant to reflect this. The work was largely related to introducing a fuller gravity circuit into the operational process and this work is currently being completed. This processing route consists of jigs, washers and centrifugal concentrators and refining this part of the process allows the plant to recover the finer grained gold particles from this circuit. This material will then be processed in line with the Company's standard processing procedure. It is anticipated that the recovery will be significantly increased as losses in the final tailings will be reduced. Additionally, the technology will enable the Company to reduce its consumption of key reagents, in particular cyanide and calcium hypochlorite.

## **GOLDBRIDGES GLOBAL RESOURCES PLC**

### **Operations report (*continued*)**

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In H1 2015, cash production costs were US\$682/oz, compared to US\$744/oz in H1 2014. While the grade was lower than previous periods, unit costs were lower due to reduced processing tonnes and tight operational cost control.

#### **Underground expansion plans**

Critical to H1 2015 has been the completion of the underground expansion exploration programme where an additional 360 holes have been added to the geological model. This has significantly increased GoldBridges' understanding of the ore body since the Venmyn Deloitte CPR. The primary objective of the exploration programme has been to focus on targeting the high grade ore zones previously identified and to better delineate them. The drilling has now achieved a clear delineation of a number of these ore zones allowing them to be converted to higher grade mining stopes. In addition to this, a number of new ore zones have been identified that with further drilling may also be converted to higher grade ore zones.

The investment that GoldBridges has made in underground expansion exploration over the past two years has fundamentally changed the approach to mining the orebody. The opportunity has now emerged to mine the majority of the ore body using a selective mining method at a higher grade than that detailed in the Venmyn Deloitte CPR.

This will have two key impacts. Firstly, mining the higher grade ore should reduce the unit costs. Secondly, mining higher grade ore should mean that fewer tonnes of ore need to be processed to achieve the Company's objective of producing 100,000 ounces per annum. Therefore, it is expected that the previously planned mill expansion may not be necessary and this change would further reduce the capital investment required for the underground expansion. Also, the reduction in the annual ore tonnes mined should result in a significant saving in processing and tailings disposal costs.

Given the prevailing market conditions, the Company is currently using a gold price of between \$1,000 and \$1,100 per ounce in its assumptions for the foreseeable future, and the underground expansion will be based on this premise. As demonstrated by the Venmyn Deloitte CPR, the deposit remains financially attractive at gold prices far lower than this.

The recent success of the exploration drilling programme and the change in the gold price has warranted an update of the geological model and a review of the mining approach to the orebody. The key objectives of this review have been to reduce the initial capital costs and lower operating costs. As previously announced, it is the intention to access the orebody using a decline from the bottom of the open pit and capital required to access the ore body with a decline is far lower than investing in a high capital cost shaft.

The company believes that the current work programme underway is critical in improving the overall financial attractiveness of the project and in aligning it with the current investment climate. This work is now well advanced and should be announced upon its completion during H2 2015.

#### **Exploration Drilling**

The company continued to carry out exploration drilling operations from underground mine workings using the Daimek drill rig from the drilling chambers. The purpose of these operations is to make the exploration grid denser in order to confirm the gold grade in the extracted ore. Currently, the sub-level chambers are being prepared for mining operations at the 320m and 250m levels. The results of exploration operations fully confirm the gold grade in the approved reserves of the deposit. During H1 2015, a total of 3,138m of diamond drill holes were completed (H1 2014: 7.230m)

# **GOLDBRIDGES GLOBAL RESOURCES PLC**

## **Financial Review**

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### **H1 2015 Financial Review**

Sekisovskoye produced 8,823 ounces of gold in H1 2015 (H1 2014:12,694 ounces). Gold sold during the period amounted to 10,440 ounces (H1 2014: 12,479ounces) at an average price of US\$1,231/oz (H1 2014: US\$1,337/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 cash cost (cost of sales excluding depreciation and provisions) for the period was US\$682/oz (H1 2014: US\$744/oz). The decrease in the cost of production is due to fewer tonnes being milled and the Company's focus on operational cost control, in particular, cost efficiency in buying raw materials.

GoldBridges has reported a gross profit of US\$3.3 million for H1 2015, against US\$5.1 million for H1 2014.

Capital expenditure totalled US\$4.1 million in H1 2015 (H1 2014: US\$18.5 million). The main item of capital expenditure was the development of the underground mine, and associated drilling costs and equipment.

As of 30 June 2015, the Company has cash of US\$2.3 million. Cash generated from operations in H1 2015 was US\$1.8 million. During the period the Company has repaid two tranches of debt in relation to the EBRD loan, and an amount of US\$8.34 million remains outstanding from the total US\$10 million loan. The Company has sufficient cash resources to operate at the current time and, as indicated in a recent Company announcement, will be looking for financing solutions to complete the underground mine development. As also previously announced, the Company has received a commitment from its key shareholder, African Resources, to provide financing to cover the Company's capital requirements if necessary.

During the period the Company has made the decision to write back the provision made against recoverable VAT, previously provided for in the holding Company. It is expected that this will have a positive impact on cash flows in H2 2015.

Aidar Assaubayev  
Chief Executive Officer

28 August 2015

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Consolidated income statement**

	Six months ended 30 June 2015	Six months ended 30 June 2014 (restated, unaudited)	Year ended 31 December 2014 (audited)
Note	(unaudited) US\$'000	US\$'000	US\$'000
Revenue	12,846	16,683	35,177
Cost of sales	(9,534)	(11,593)	(27,969)
<b>Gross profit</b>	<b>3,312</b>	5,090	7,208
Other operating income	-	1,162	1,141
Administrative expenses	(4,094)	(3,286)	(8,233)
Tailings dam leak	-	300	330
Listing expenses	-	-	(702)
Impairments	-	-	(1,214)
Impairments reversed	737	-	2,227
<b>Operating (loss)/profit</b>	<b>(45)</b>	3,266	757
Finance income	-	4	7
Foreign exchange loss	(173)	(368)	(1,418)
Finance Expense	(244)	(229)	(331)
(Loss)/profit before taxation	(462)	2,673	(985)
Taxation credit	35	1,173	730
(Loss)/profit attributable to equity shareholders	(427)	3,846	(255)
<b>(Loss)/profit per ordinary share</b>			
Basic & diluted (US cent)	2	(0.02c)	0.19 (0.01c)

The notes on pages 13 to 20 form part of this financial information  
**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Consolidated statement of comprehensive income**

	<b>Six months ended 30 June 2015  (unaudited) US\$000 (427)</b>	Six months ended 30 June 2014  (restated, unaudited) US\$000 3,846	Year ended 31 December 2014  (audited) US\$000 (255)
(Loss)/profit for the period/year			
Currency translation differences arising on translations of foreign operations items which will or may be reclassified to profit or loss	<b>(931)</b>	(6,295)	(9,310)
Currency translation differences arising on translation of foreign operations relating to taxation	-	-	737
<b>Total comprehensive loss for the period/year attributable to equity shareholders</b>	<b>(1,358)</b>	<b>(2,449)</b>	<b>(8,828)</b>

The notes on pages 13 to 20 form part of this financial information  
**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Consolidated statement of financial position**

		Six months ended 30 June 2015	Six months ended 30 June 2014 (restated unaudited)	Year ended 31 December 2014 (audited)
	Notes	(unaudited) US\$'000	unaudited) US\$'000	(audited) US\$'000
<b>Non-current assets</b>				
Intangible asset	3	18,530	23,633	19,440
Property, plant and equipment	4	63,154	54,230	61,238
Trade and other receivables		1,336	3,040	2,553
Deferred tax asset		2,360	2,059	2,407
Restricted cash		249	253	260
		<b>85,629</b>	<b>83,215</b>	<b>85,898</b>
<b>Current assets</b>				
Inventories		11,590	6,913	10,882
Trade and other receivables		9,783	8,475	10,260
Cash and cash equivalents		2,307	18,514	1,684
		<b>23,680</b>	<b>33,902</b>	<b>22,826</b>
<b>Total assets</b>		<b>109,309</b>	<b>117,117</b>	<b>108,724</b>
<b>Current liabilities</b>				
Current tax payable		(463)	(470)	(475)
Trade and other payables		(14,635)	(19,352)	(15,725)
Other financial liabilities		(326)	(351)	(326)
Provisions		(378)	(363)	(335)
Borrowings		(3,333)	(1,666)	(3,333)
		<b>(19,135)</b>	<b>(22,202)</b>	<b>(20,194)</b>
<b>Net current assets</b>		<b>4,545</b>	<b>11,700</b>	<b>2,632</b>
<b>Non-current liabilities</b>				
Other financial liabilities		(438)	(963)	(709)
Provisions		(7,472)	(5,486)	(7,400)
Borrowings		(5,000)	(8,333)	(6,667)
		<b>(12,910)</b>	<b>(14,782)</b>	<b>(14,776)</b>
<b>Total liabilities</b>		<b>(32,045)</b>	<b>(36,984)</b>	<b>(34,970)</b>
<b>Net assets</b>		<b>77,264</b>	<b>80,133</b>	<b>73,754</b>
<b>Equity</b>				
Called-up share capital	5	3,886	3,702	3,702
Share premium		141,918	137,234	137,234
Merger reserve		(282)	(282)	(282)
Currency translation reserve		(18,345)	(15,136)	(17,414)
Accumulated loss		(49,913)	(45,385)	(49,486)
<b>Total equity</b>		<b>77,264</b>	<b>80,133</b>	<b>73,754</b>

The financial information was approved and authorised for issue by the Board of Directors on 28 August 2015 and was signed on its behalf by:

Aidar Assaubayev  
**Chief Executive Officer**

The notes on pages 13 to 20 form part of this financial information

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Consolidated Statement of changes in equity**

**For the six months ended 30 June 2015**

	Share capital	Share premium	Merger reserve	Cumulative translation reserve	Retained deficit	Total
Unaudited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000
At 1 January 2015	3,702	137,234	(282)	(17,414)	(49,486)	73,754
Loss for the period	-	-	-	-	(427)	(427)
Exchange differences on translating foreign operations	-	-	-	(931)	-	(931)
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(931)</b>	<b>(427)</b>	<b>(1,358)</b>
Shares issued	184	4,968	-	-	-	5,152
Issue costs	-	(284)	-	-	-	(284)
<b>At 30 June 2015</b>	<b>3,886</b>	<b>141,918</b>	<b>(282)</b>	<b>(18,345)</b>	<b>(49,913)</b>	<b>77,264</b>

**For the six months ended 30 June 2014 (restated)**

	Share capital	Share premium	Merger reserve	Cumulative translation reserve	Retained deficit	Total
Unaudited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000
At 1 January 2014	2,635	115,594	(282)	(8,841)	(49,231)	59,875
Loss for the period	-	-	-	-	3,846	3,846
Exchange differences on translating foreign operations	-	-	-	(6,295)	-	(6,295)
Total comprehensive loss for the period	-	-	-	(6,295)	3,846	(2,449)
Shares issued	1,067	22,095	-	-	-	23,162
Issue costs	-	(455)	-	-	-	(455)
<b>At 30 June 2014</b>	<b>3,702</b>	<b>137,234</b>	<b>(282)</b>	<b>(15,136)</b>	<b>(45,385)</b>	<b>80,133</b>

**For the year ended 31 December 2014**

	Share capital	Share premium	Merger reserve	Cumulative translation reserve	Retained deficit	Total
Audited	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2014	2,635	115,594	(282)	(8,841)	(49,231)	59,875
Profit for the year	-	-	-	-	(255)	(255)
Exchange differences on translating foreign operations	-	-	-	(8,573)	-	(8,573)
Total comprehensive income for the year	-	-	-	(8,573)	(255)	(8,828)
Shares issued	1,067	22,095	-	-	-	23,162
Issue costs	-	(455)	-	-	-	(455)
<b>At 31 December 2014</b>	<b>3,702</b>	<b>137,234</b>	<b>(282)</b>	<b>(17,414)</b>	<b>(49,486)</b>	<b>73,754</b>

The notes on pages 13 to 20 form part of this financial information.

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Consolidated cash flow statement**

		Six months ended 30 June 2015  (unaudited) US\$'000	Six months ended 30 June 2014  (restated, unaudited) US\$'000	Year ended 31 December 2014  (audited) US\$'000
	Note			
<b>Net cash inflow/(outflow) from operating activities</b>	8	1,867	(833)	5,601
<b>Investing activities</b>				
Interest received		-	-	7
Proceeds on disposals of property, plant and equipment		-	577	-
Purchase of property, plant and equipment		(4,123)	(5,639)	(25,989)
Restricted cash		5	-	(6)
Payment of costs associated with provisions		-	-	(651)
<b>Net cash used in investing activities</b>		(4,118)	(5,062)	(26,639)
<b>Financing activities</b>				
Proceeds on issue of shares		5,152	23,162	23,162
Issue costs		(284)	(455)	(455)
Loans repaid		(1,667)	-	(1,043)
Interest paid		(327)	(365)	(750)
<b>Net cash flow from financing activities</b>		2,874	22,342	20,914
<b>Increase/(Decrease) in cash and cash equivalents</b>		623	16,447	(124)
<b>Foreign currency translation</b>		-	-	(259)
<b>Cash and cash equivalents at the beginning of the year</b>		1,684	2,067	2,067
<b>Cash and cash equivalents at end of the year</b>		2,307	18,514	1,684

The notes on pages 13 to 20 form part of this financial information.

## **1. Basis of preparation**

### *General*

GoldBridges Global Resources Plc is registered and domiciled in England and Wales.

The interim financial results for the period ended 30 June 2015 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 2015 has been prepared on a basis consistent with the accounting policies set out in the Group's consolidated annual financial statements for the year ended 31 December 2014. 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 2014. The 2014 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 Group's operations are cash generative and the current cash position is sufficient to cover ongoing operating and administrative expenditure for the next 12 months.

During the period the Company secured an additional US\$5.1m (gross), equity investment. The Directors consider this together with income 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, post the period end, we announced that GoldBridges has received a commitment from our key shareholder, African Resources, to provide financing to cover the Company's capital requirements if necessary. The Company is in detailed discussions with various other parties regarding potential financing for completion of the expansion, and is keen to continue these discussions. However, with African Resources' commitment to fund some or all of the underground expansion project capital expenditure, the Company has already intensified its underground expansion activities and is confident in project development.

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

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information**

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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:

- (a) The condensed set of financial statements have been prepared in accordance with IAS 35 Interim Financial Reporting as adopted by the EU;
- (b) 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 2014 Annual Report and Accounts and are reviewed on an ongoing basis. There have been no significant changes in the first half of 2014 to the principal risks and uncertainties as set out in the 2014 Annual Report and Accounts and these are as follows:

- Fiscal changes in Kazakhstan
- Not being awarded the subsoil production mining licence for Karasuyskoye
- 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
- Cost (capex and operating cost) inflation
- Technical difficulties associated with developing the underground mine at Sekisovskoye
- Technical difficulties associated with increasing the Sekisovskoye processing plant
- Exploration work being underwhelming at Karasuyskoye
- Failure to achieve production estimates

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information (continued)**

**2. (Loss)/profit per ordinary share**

Basic (loss)/profit 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 calculation of basic and diluted earnings per share is based upon the retained loss for the financial of US\$427,000, (H1 2014 profit US\$3,846,000).

The weighted average number of ordinary shares for calculating the basic profit/(loss) per share and diluted loss per share for the period are as follows:

	<b>Six months ended 30 June 2015 (unaudited)</b>	Six months ended 30 June 2014 (unaudited)	Year ended 31 December 2014 (audited)
The basic weighted average number of ordinary shares in issue during the period	2,261,225,463	2,038,802,240	2,115,470,650
The (loss)/profit for the period attributable to equity shareholders (US\$'000s)	(427)	3,846	(255)

There are no dilutive instruments.

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information (continued)**

**3. Intangible assets**

	<b>US\$'000</b>
<b>Cost</b>	
1 January 2014	27,500
Adjustments*	(2,532)
Currency translation adjustment	(414)
30 June 2014	24,554
Currency translation adjustment	(3,818)
31 December 2014	20,736
Currency translation adjustment	(429)
30 June 2015	20,307
<b>Accumulated amortisation</b>	
1 January 2014	343
Charge for the period	578
30 June 2014	921
Charge for the period	425
Currency translation adjustment	(50)
31 December 2014	1,296
Charge for the period	526
Currency translation adjustment	(45)
30 June 2015	1,777
30 June 2014	23,633
31 December 2014	19,440
<b>30 June 2015</b>	<b>18,530</b>

The adjustment relates to the recovery of VAT reclaimable on the purchase price of the geological data. 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 January 2015, the Company was awarded the subsoil user rights to Karasuyskoye by the Ministry of Investments and Development in Kazakhstan. The final subsoil contract terms and conditions, including the new financial incentives offered specifically to the Company through the state programme on forced industrial-innovative development (SFIID), has been not awarded however the subsoil user rights awarded gives the Company a pre-emptive right to obtain the subsoil contract. The subsoil user rights allows the Company to perform further exploration work in order to complete a wok programme which will need to be submitted to the authorities for approval.

The Ministry requires 12 to 18 months from the date of issue of the subsoil user rights to perform due diligence checks on the information provided by the Company during the tendering process and to prepare the terms of the subsoil contract including any grants, tax reliefs, environmental protection requirements etc. Management believes that the final contract will be awarded based on ongoing consultation with the Ministry, compliance with local legal and tax regulations and the submission of an appropriate mining programme.



**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information (continued)**

**4. Property, plant and equipment**

	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
<b>Cost</b>						
1 January 2014	10,682	16,494	15,927	8,132	20,933	72,168
Additions	131	-	4,456	-	13,943	18,530
Disposals	-	(569)	(59)	-	-	(628)
Transfers	472	-	-	-	(472)	-
Currency translation adjustment	(1,537)	(2,714)	(2,796)	(1,040)	(3,503)	(11,590)
<b>30 June 2014</b>	<b>9,748</b>	<b>13,211</b>	<b>17,528</b>	<b>7,092</b>	<b>30,901</b>	<b>78,480</b>
Additions	-	58	856	1302	8,569	10,785
Disposals	-	-	(958)	-	(131)	(1,089)
Transfers	7,211	2,028	1,400	(339)	(10,300)	-
Currency translation adjustment	(418)	137	26	(14)	375	106
<b>31 December 2014</b>	<b>16,541</b>	<b>15,434</b>	<b>18,852</b>	<b>8,041</b>	<b>29,414</b>	<b>88,282</b>
Additions	119	616	1,964	-	1,869	4,568
Disposals	-	-	(4)	-	(25)	(29)
Transfers	-	255	64	-	(319)	-
Currency translation adjustment	(172)	(324)	(372)	(164)	273	(759)
<b>30 June 2015</b>	<b>16,488</b>	<b>15,981</b>	<b>20,504</b>	<b>7,877</b>	<b>31,212</b>	<b>92,062</b>
<b>Accumulated depreciation</b>						
1 January 2014	3,552	5,501	12,174	5,075	-	26,302
Charge for the period	280	618	999	364	-	2,261
Disposals	-	(62)	-	-	-	(62)
Currency translation adjustment	(573)	(897)	(1,960)	(821)	-	(4,251)
<b>30 June 2014</b>	<b>3,259</b>	<b>5,160</b>	<b>11,213</b>	<b>4,618</b>	<b>-</b>	<b>24,250</b>
Charge for the period	152	860	1,576	501	-	3,089
Disposals	-	-	(988)	574	-	(414)
Currency translation adjustment	21	26	967	(895)	-	119
<b>31 December 2014</b>	<b>3,432</b>	<b>6,046</b>	<b>12,768</b>	<b>4,798</b>	<b>-</b>	<b>27,044</b>
Charge for the period	200	671	1,115	498	-	2,484
Disposals	-	-	2	-	-	2
Transfers	-	-	15	-	-	15
Currency translation adjustment	(71)	(131)	(266)	(169)	-	(637)
<b>30 June 2015</b>	<b>3,561</b>	<b>6,586</b>	<b>13,634</b>	<b>5,127</b>	<b>-</b>	<b>28,908</b>
<b>Net Book Values</b>						
1 January 2014	7,130	10,993	3,753	3,057	20,933	45,866
30 June 2014	6,489	8,051	6,315	2,474	30,901	54,230
31 December 2014	13,109	9,388	6,084	3,243	29,414	61,238
<b>30 June 2015</b>	<b>12,927</b>	<b>9,395</b>	<b>6,870</b>	<b>2,750</b>	<b>31,212</b>	<b>63,154</b>

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information (continued)**

The additions in the period principally relate the continuing works associated with the underground mine in relation to development of the declines, ventilation shafts and other associated works.

**5. Share capital**

	<b>Number</b>	<b>US\$000</b>
<b>1 January 2014</b>	<b>1,563,370,130</b>	<b>1,684</b>
Issued during the year		
Share placement	647,972,000	1,067
<b>31 December 2014</b>	<b>2,211,342,130</b>	<b>3,702</b>
Issued during the year		
Share placement	123,000,000	184
<b>30 June 2015</b>	<b>2,334,342,130</b>	<b>3,886</b>

On 18 April 2015 there was a placing of 123,000,000 new Ordinary Shares at a price of 2.80 pence per Ordinary Share. The net proceeds of the placing will be used for general working capital purposes.

**6. 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.
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.
Other reserves	Fair value of share options granted net of amounts transferred to retained earnings on exercise or lapse of options.
Accumulated losses	Cumulative net gains and losses recognised in the consolidate statement of financial position.

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information (continued)**

**7. 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".

	<b>Six months ended 30 June 2015</b>	Six months ended 30 June 2014	Year to December 2014
	<b>US\$</b>	US\$	US\$
Short term employee benefits	<b>229,668</b>	135,165	353,084
Other	-	-	-
	<b>229,668</b>	135,165	353,084
Social security costs	<b>7,142</b>	7,581	28,515
	<b>236,810</b>	142,746	381,599

During the year the following transactions with the Asia Mining Group were incurred a Company's controlled by the Assaubayev family:

- An amount of US\$795,000 was incurred in purchasing assets and consumables.
- An amount of US\$253,000 was incurred in rental costs during the period.

An amount of US\$2.6m is outstanding and is included within trade payables.

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

**GOLDBRIDGES GLOBAL RESOURCES PLC**  
**Notes to the consolidated financial information (continued)**

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

**Net cash(outflow)/inflow from operating activities**

	<b>Six months ended 30 June 2015 (unaudited) US\$000's</b>	Six months ended 30 June 2014 (unaudited) US\$000's	Year ended 31 December 2014 (audited, restated) US \$000's
(Loss)/profit before taxation	<b>(45)</b>	2,673	(985)
Adjusted for:			
Finance income	-	(4)	(7)
Finance expense	<b>(245)</b>	229	331
Depreciation of tangible fixed assets	<b>2,510</b>	2,261	5,350
Amortisation of intangibles	<b>517</b>	578	1,023
Change in provisions	<b>(737)</b>	(284)	-
(Increase)/decrease in inventories	<b>(708)</b>	2,441	(3,013)
Decrease/(Increase) in trade and other receivables	<b>2,432</b>	(3,224)	(4,391)
Decrease in other financial liabilities	-	(182)	(184)
(Decrease)/increase in trade and other payables	<b>(1,441)</b>	(5,610)	4,905
(Profit)/loss on disposal of property, plant and equipment	<b>(94)</b>	(17)	1,237
Foreign currency translation	<b>(357)</b>	306	1,418
<b>Cash inflow from operations</b>	<b>1,832</b>	(833)	5,684
Income taxes paid	<b>35</b>	-	(83)
	<b>1,867</b>	(833)	5,601

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

On 20 August 2015 the Government in Kazakhstan announced that it would allow the Kazakh Tenge to freely float against other foreign currencies. On announcement the Tenge devalued against the US dollar from the current balance sheet closing rate of 186 Kazakh Tenge to 1 US Dollar to approximately 252 Kazakh Tenge to 1 US Dollar, a devaluation of 35%. This is expected to have a significant impact on the cost base of the Kazakh based expenses, which are significant. The Company is currently assessing the impact of the change in the exchange rates on its future operating results.

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

## GOLDBRIDGES GLOBAL RESOURCES PLC

### Company information

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Directors	Kanat Assaubayev Aidar Assaubayev Ken Crichton Ashar Qureshi William Trew Alain Balian	Chairman Chief executive officer Executive director Non-executive director Non-executive director Non-executive director
Secretary	Rajinder Basra	
Registered office and number	Company number : 05048549  28 Eccleston Square London SW1V 1NZ Telephone: +44 208 932 2455	
Company website	<a href="http://www.goldbridgesplc.com">www.goldbridgesplc.com</a>	
Kazakhstan office	10 Novostroyevskaya Sekisovskoye Village Kazakhstan Telephone: +7 (0) 72331 27927 Fax: +7 (0) 72331 27933	
Financial adviser and joint broker	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ Telephone: +44 (0) 20 7409 3494	
Joint broker	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London E14 5RB Telephone: +44 (0) 20 7894 7000	

## GOLDBRIDGES GLOBAL RESOURCES PLC

### Company information (continued)

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