Altyn Plc

("Altyn" or the "Company")

Results for the year ended 31 December 2016

Altyn Plc (LSE:ALTN) an exploration and development company, is pleased to announce its results for the year ended 31 December 2016.

Highlights

Underground development

- During the year the first transport decline was taken from 250masl (metres above sea level) to 200masl. The decline will now stop at this level.
- Second transport decline was taken from the 250masl and is currently being developed to 225masl.
- Completion of works on the second decline from 250masl to the bottom of the open pit at 320masl.
- Access portal, for the second transport decline was completed during H2 2016.
- Ventilation shafts and ancillary services for the mine works were completed.
- Tailings dam 4 was completed in January 2017. It covers an area of 190,000sqm and has the capacity to absorb 1m tonnes of tailings, and will have an operational capacity of 2-3 years on the basis of the planned production increases.
- Capital investment of US$5.6m (2015: US$9.6m) which includes 30 tonne haulage trucks and new load-haul-dumper (LHD), used to fill the underground trucks with ore. The principal operational fleet is to be further enhanced with an additional 30 tonne haulage truck in 2017 and an additional LHD, to be purchased in 2017.

Financial Highlights

- Debt raising of US$12m through the issue of convertible bonds, (2015: US$5.1m equity raising) and US$1.66m through unsecured loans.
- Turnover decreased in the year to US$15.9m (2016: US$24.1m).
- 12,602oz of gold sold (2015: 20,890oz), a reduction of 8,288oz.
- Average gold price achieved (including silver as a by-product), US$1,259oz, (2015: US$1,173oz).
- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation excluding impairment) of US$260,000 (2015: negative US$2.3m).

Operational Highlights

- Gold poured 10,970oz, (2015: 15,534oz) a 29.4% decrease year-on-year, due to the continuing development of the second transport decline that resulted in a lower production in the year.
- Underground gold grade 2.70g/t, (2015: 2.55g/t).
- Operating cash cost US$846/oz, (2015: US$837/oz).
- Gold recovery rate 80.20% (2015:76.04%) the improvement is in line with expectations as the higher grade ore is processed.

Neil Herbert, Director of Altyn Plc commented:

"The 2016 annual results are in line with expectations, production declined as resources were switched to develop the second decline and infrastructure in order to access the high grade underground ore. With the solid platform developed in 2016, we look forward to progressing the underground mine in 2017, with rising production and profitability."

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

Blytheweigh (Financial PR)
Tim Blythe/Camilla Horsfall +44 (0) 207 138 3204

Information on the Company

Altyn 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 Altyn 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 GRP Baurgold (Formerly DTOO Gornorudnoe Predpriatie Sekisovskoye) which holds a subsoil use contract in relation to the Sekisovskoye deposit, covering a total area of 0.855km^2. 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 TOO GMK Altyn MM (formerly TOO Altai Ken-Bayitu), which owns and operates the processing plant at the Sekisovskoye deposit. The Sekisovskoye deposit is located at the village of Sekisovskoye, approximately 40km north of the town of Ust-Kamenogorsk, the capital city of the East Kazakhstan Region. The current operation is focused on mining the near-vertical deposits which extend to the surface below the open pits which have been previously mined.

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 2.67moz of gold and 3.52moz of silver and the Company's measured, indicated, inferred resources consisted of 5.14moz of gold, and 3.52moz of silver, in each case as classified in accordance with JORC.

Chairman's Statement

Dear shareholders,

The focus in 2016 as in the prior year has been on moving the underground project forward as efficiently as possib
requirements, and ensure our loan commitments are met.

In relation to the latter the Company currently has a bank loan with EBRD, the capital amount outstanding as at the date
Company raised US$12m through the issue of convertible bonds with a coupon rate of 10%. The proceeds include US$2m f
major shareholder. Additionally, a total of US$1.7m was raised in the form of 13% unsecured loans from the major share
working capital commitments, repay the loan commitments as noted above, in addition to acquiring the capital assets in the y

In order to continue with the underground development plans and move towards the targeted production levels the Co
investment in the underground development. As part of the process of engaging with potential investors the Company ha
actively market the company. We will keep shareholders updated as the financing progresses.

The Company has made significant progress utilising the funding so far, and the transition to the underground mine is progr
anticipated schedule of approximately 9 months. The underground ore mined in H1 2016 was 28,824mt and in H2 71,939mt
rate of 29,000t in 2017, with the anticipation to increasing this toward the target of 40-45,000t during 2017.

The gold price is still favourable and stable and has been trading in the range of US$1,200/oz –US$1,300oz. As interest rates
put under downward pressure. However, based on the Company's revenue and cost assumptions the profits going forward ar

In summary we have now developed the platform to move forward. The forthcoming years, will see the fortunes of the Co
move towards our target of 100,000oz of gold a year.

Finally, may I once again thank all our employees and our Management team for their hard work and also thank our share
forward to a challenging and exciting year ahead for Altyn.

Kanat Assaubayev
Chairman

Chief Executive Officer's Report

Overview

The management team have had a successful year in advancing the development of the underground mine. The exercise was time consuming and technically difficult in a number of areas leading to a delay from the planned time table, essentially pushing the development back by approximately 9 months from that initially envisaged.

MAP OF UNDERGROUND MINE SOWING DECLINES

Current developments

To summarise the following progress was achieved in the development of the underground mine in the year, building a solid platform for production growth going forward:

- Development of the first decline which was taken from the 250masl down to 200masl, this gave access to ore body 11. The first decline will now be terminated at this level and the second decline will be used in the future to access the ore bodies. Development of the second decline has significantly reduced the haulage distance to the underground tracks. The decline was taken from the 250masl up to the 320masl to give access to the bottom of the open pit, and a transport portal was constructed. It is also currently in the process of being further developed to 225masl giving access to a number of ore bodies at this level.
- Ore bodies were prepared for production including ore body 10 and also ore body 5, the latter was originally expected to be producing ore in H2 2016, however the delay pushed this back to Q1 2017.

- The current production in Q1 2017 is being taken from ore body 5 that typically has ore grades on average of 3.5g/t. Although the actual grade achieved in the Q1 was 2.56 g/t this is mainly a dilution issue that is expected to be settled in the 2nd half of the year achieving the targeted average gold grade for the year.
- The extraction from the sides of the open pit has revealed veins of ore with very high grades of gold in excess of 6g/t, as well as free gold.
- Completion of tailings dam 4 allows for approximately 1 million tonnes of tailings to be absorbed. Tailings dam 4 will have a life of approximately 2-3 years, taking into account our plan to raise production. It is expected that after this period the paste plant will be constructed, thereafter allowing the tailings to be backfilled into the underground mine.
- Sourcing, purchasing and commissioning of plant and equipment during the year. Key items were the load-haul dumper CAT R1300 and the 3 Sandvik UG trucks TH430 which can carry 30 tonnes each. These are replacing the existing 15 tonne trucks which have been retained for possible deployment in Karasuyskoye. Another 30 tonne UG truck is to be ordered in the near term. Also in addition to the above a low haul dumper was delivered in late March 2017 and is now being used in the operations.

Looking forward

- The second decline is to be developed to 225masl as noted above, and this is expected to be completed by June 2017, giving access to the ore bodies at this level which will then be prepared for production. Ore body 11 contains on average higher grade ore up to 4.5g/t, and will be mined in H2 2017.
- Further drilling and preparatory works will be undertaken at ore bodies 2-10 at the 250masl in order to prepare them for ore production.
- The extraction of the very high grade ore that is being mined from the sides of the open pit is being further refined by applying higher concentrations of cyanide, in three smaller intensive leaching tanks which have been set up. The recovery rates will be further enhanced in the future by the purchase of gravitational circuits, as cash flow permits.

Capital requirements

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

	Total	**2017**	**2018**	**2019**	**2020**
	US$m	**US$m**	**US$m**	**US$m**	**US$m**
Prospect drilling	**4.0**	0.9	0.1	1.5	1.5
Underground development	**3.5**	1.4	0.4	0.8	0.9
Infrastructure	**1.2**	1.2	-	-	-
Ore handling facilities	**16.8**	10.2	4.6	2.0	-
Process plant & paste plant	**12.0**	-	12.0	-	-
Contingency	**3.3**	0.6	2.3	0.3	0.1
Total	**40.8**	14.3	19.4	4.6	2.5

Of the total amount shown above the external funding requirement is in the region of US$20m-US$30m. The Company is currently in discussion with a number of interested parties, in order to raise the necessary funding.

Sekisovskoye operational update

In the year to December 2016, the mine has been operating at a very low capacity and the current year low level of production has to be seen as a necessary step in order to achieve the Company's long term goal. During H1 2016 this dropped to 3,694oz of gold produced but since then production has been rising as the underground mine is developed.

The key performance statistics show that the underground grades are improving as direct access is gained to the ore bodies and recovery rates are now moving to the target goal of above 80%. Indeed, in Q1 2017 the recoveries have increased, albeit the grades have remained at the 2.5-2.6g. The grades are expected to improve as the higher grade ore bodies are accessed and there is less developmental ore delivered to the processing plant

The operational performance of the Company' Sekisovskoye gold mine during 2016 against the prior year is shown in the tables below.

Mining - open pit			
		2016	2015
Ore mined	T	**107,586**	339,111
Gold grade	g/t	**0.91**	1.06
Silver grade	g/t	**1.60**	2.03
Contained gold	oz	**3,065**	11,595
Contained silver	oz	**5,361**	22,139

Mining - underground			
		2016	2015
Ore mined	T	**100,763**	79,276
Gold grade	g/t	**2.70**	2.55
Silver grade	g/t	**3.76**	3.7
Contained gold	oz	**8,757**	6,492
Contained silver	oz	**12,182**	9,441

Mining processing			
		2016	2015
Crushing	T	**258,206**	570,949
Milling	T	**262,546**	566,664
Gold grade	g/t	**1.66**	1.12
Silver grade	g/t	**2.88**	2.25
Gold recovery	%	**80.20**	76.04
Silver recovery	%	**73.45**	64.91
Contained gold	oz	**13,679**	20,428
Contained silver	oz	**22,491**	40,994
Gold poured	oz	**10,970**	15,534
Silver poured	oz	**16,519**	26,608

Total gold production for 2016 was only 10,970oz, and was lower than that initially budgeted. The result reflects the winding down and closure of the open pit mine at Sekisovskoye, as the Company's efforts were focused on increasing its underground development. Of this amount 3,694oz were produced in H1 and 7,276oz in H2, the increase in production is encouraging. The production is expected to build in 2017 such that it is expected to achieve a run rate of 40,000oz of gold per annum in the latter part of the year.

As expected the gold recoveries have increased and are now in excess of 80% as production is switched to the higher grade ore. The increase is expected to continue as the composition of the ore processed is not expected to be so variable in grade. In addition to this the operational upgrades made in the prior year in the processing plant have also made a difference in uplifting the recoveries achieved. In the current year the processed ore was a mixture of lower grade ore from the open pit and the developmental ore from the higher grade underground ore bodies. The open pit ore grade was 0.91 at a very low level and was only used in order to keep the plant operational. In the current year the low grade stockpiles have been fully impaired as they are no longer considered to be economically viable to process.

Financial performance review 2016

In terms of production and revenue generation this is anticipated to be the low point of the Company's performance. The production performance was a direct result of the continuing underground mine development which led to delays and interruptions to production. In addition the use of low grade ore from that remaining in the open pit led to the low levels of grade and recovery rates, and was principally used to maintain the operation of the processing plant.

As anticipated the grades and recovery are improving and all the main elements are in place to increase production in the forthcoming year. The second decline is now moving towards 200masl and a number of ore bodies are accessible and are being prepared for production. As noted previously further investment will be required in order to advance the second decline to minus 50masl which is the current development plan, and to conduct further exploratory drilling.

The current KPI's are to a large extent not a valid comparable to prior years, as production was being maintained at the processing plant to keep it operational during developmental works. In particular the production cash cost is very high given the low level of production and will decrease incrementally as the production rises with the targeted average cash cost of US$540.

The current cash position and anticipated trading is sufficient for the budgeted capex (with no expansion), and budgeted production for the next year, but to further develop the mine additional investment is required. In the prior year one of the principal factors affecting the results for the year was the devaluation of the Kazakh Tenge against the US Dollar The US Dollar has stabilised against the Kazakh Tenge and is in the range of KZT300-320, and gold is trading in the range of US$1,200-1,300. Both are expected to be in similar ranges in the forthcoming year.

The Company has reported a net loss of US$6.4m (2015: US$10.2m), with a gross profit of US$2.3m (2015: US$4.3m) and an operating loss of US$4.1m (2015: US$4.8m).

During 2016, Sekisovskoye poured 10,970oz of gold (2015:15,534oz). A total of 12,602oz (2015:20,890oz) were sold in 2016 at an average price of US$1,259oz (2015: US$1,151oz). Revenue totalled US$15.9m (2015: US$24.1m) and was lower than 2015 as the Company focused its efforts on developing the underground development. The principal purchaser of the gold dore was Kazakh state refinery as in the prior year.

The total cash cost of production, which includes administrative costs but excludes depreciation and provisions, amounted to US$1,238/oz, (2015: US$1,263oz). The operating cash cost amounts to US$832/oz (2014: US$837/oz). This is based on the cost of sales excluding depreciation and administrative expenses, and impairments. The earnings before interest, tax and depreciation, (Adjusted EBITDA), excluding exceptional items, amounted to a positive US$260,000, (2015: negative (US$2.3m)).

Depreciation of US$3.1m (2015: US$4.2m). The lower level of deprecation is a reflection of the decreased charge for mining properties, reflecting the lower production in the year. In 2016, the amortisation charge of US$553,000 (2015: US$852,000) relates to the geological data asset for Karasuyskoye ore field purchased in 2013. As the Company has been awarded a subsoil contract in May 2016 US$322,000 of the amortisation charge has been capitalised to the exploration and evaluation asset in line with the Group's accounting policy.

The Group has reported Net cash outflow from operating activities of US$2.9m (2015: net inflow of US$8.2m). The effect of lower production was partially offset by a higher average gold price.

Purchase of property plant and equipment of US$4.9m (2015: US$9.6m). The Company has been conserving cash where possible in order to preserve working capital until such point as the funding is in place to further develop the mine.

Cash at year-end was US$2.2m (2015: US$1.1m). During the year, the Company raised US$12m via convertible bonds and US$1.7m in the form of unsecured loans. The Company is currently in negotiations to raise further funds, and will update shareholders as matters progress, however available cash resources are sufficient to meet the current working capital requirements.

The Company's principal debts are that owed to The European Bank for Reconstruction (EBRD), and the convertible loan notes issued in the year. The EBRD loan is set to be paid over the remaining two equal quarterly instalments of US$833,000. In relation to the convertible bonds they are not expected to impact the cash flow, (other than the interest payments), until maturity in 2021, at which point they may be converted into shares. African Resources Limited have agreed to delay the payment of the outstanding interest payable on their loans in order to aid the cash flow of the Company.

The consolidated net assets of the Company are US$34.0m (2015: US$38.4m).

In summary the Company has progressed well on a developmental level on its limited funding, and managed to continue the mine development as well as maintain production albeit at low levels. 2017 is looking encouraging and mining and production is moving towards the targeted production levels set for the high grade underground mine.

Consolidated statement of profit or loss

Year ended 31 December 2016

	Notes	**2016**	2015
		US$000	US$000
Revenue	3	**15,867**	24,054
Costs of sales		**(13,554)**	(19,763)
Gross profit		**2,313**	4,291
Administrative expenses		**(5,352)**	(9,762)
Impairment-other		**(1,107)**	-
Impairment reversed		**-**	674
Operation Loss		**(4,146)**	(4,797)
Foreign exchange loss		**283**	(5,718)
Finance expense		**(2,215)**	(1,235)
Loss profit before taxation		**(6,078)**	(11,750)
Taxation credit		**(278)**	1,532
Loss attributable to equity holders of the parent		**(6,356)**	(10,218)
Profit per ordinary share			
Basic & Diluted	4	**(0.3c)**	(0.4c)

Consolidated statement of profit or loss and other comprehensive income

Year ended 31 December 2016

	2016 **US$000**	2015 US$000
Loss for the year	**(6,356)**	(10,218)
Currency translation differences arising on translations of foreign operations items that may be reclassified to profit or loss	**747**	(34,577)
Currency translation differences arising on translation of foreign operations relating to taxation	**866**	4,574
Total comprehensive loss attributable to equity holders of the parent	**(4,743)**	(40,221)

Consolidated statement of financial position

Year ended 31 December 2016

Company number 5048549	Notes	2016 US$000	2015 US$000
Non-current assets			
Intangible assets	5	**10,264**	9,887
Property, plant and equipment	6	**37,316**	35,134
Inventory		**-**	604
Trade and other receivables		**1,100**	1,337
Deferred tax asset		**5,855**	5,145
Restricted cash		**139**	137
		54,674	52,244
Current assets			
Inventories		**1,366**	3,223
Trade and other receivables		**3,096**	2,649
Cash and cash equivalents		**2,236**	1,084
		6,698	6,956
Total assets		**61,372**	59,200
Current Liabilities			
Trade and other payables		**(5,877)**	(9,298)
Other financial liabilities		**(461)**	(297)
Current tax payable		**(11)**	(191)
Provisions		**(190)**	(247)
Borrowings		**(4,439)**	(6,676)
		(10,978)	(16,709)
Net current assets/(liabilities)		**(4,280)**	(9,753)
Non-current liabilities			
Other financial liabilities		**(254)**	(537)
Other contract liabilities		**(190)**	-
Provisions		**(3,978)**	(3,553)
Convertible bonds		**(11,281)**	-
Borrowings		**(700)**	-
		(16,403)	(4,090)
Total liabilities		**(27,381)**	(20,799)
Net assets		**33,991**	38,401
Equity			
Called-up share capital		**3,886**	3,886
Share premium		**141,918**	141,918
Merger reserve		**(282)**	(282)
Other reserve		**333**	-
Currency translation reserve		**(45,804)**	(47,417)
Accumulated losses		**(66,060)**	(59,704)
Total equity		**33,991**	38,401

Consolidated statement of changes in equity

Year ended 31 December 2016

	Share Capital US$000	Share Premium US$000	Merger Reserve US$000	Currency translation reserve US$000	Other reserve US$000	Accumulat- ed Losses US$000	Total US$000
1 January 2015	3,702	137,234	(282)	(17,414)	-	(49,486)	73,754
Loss for the year	-	-	-	-	-	(10,218)	(10,218)
Other comprehensive loss	-	-	-	(30,003)		-	(30,003)
Total comprehensive loss	-	-	-	(30,003)	-	(10,218)	(40,221)
Shares issued on conversion of loan notes	184	4,968	-	-	-	-	5,152
Issue costs	-	(284)	-	-	-	-	(284)
31 December 2015	3,886	141,918	(282)	(47,417)	-	(59,704)	38,401
Loss for the year	-	-	-	-	-	(6,356)	(6,356)
Other comprehensive income	-	-	-	1,613	-	-	1,613
Total comprehensive loss	-	-	-	1,613	-	(6,356)	(4,743)
Equity components of loans received	-	-	-	-	333	-	333
31 December 2016	**3,886**	**141,918**	**(282)**	**(45,804)**	**333**	**(66,060)**	**33,991**

Consolidated statement of changes in cashflows

Year ended 31 December 2016

	2016 US$000	2015 US$000
Net cash (outflow)/inflow from operating activities	**(2,918)**	8,183
Investing activities		
Purchase of property, plant and equipment	**(4,898)**	(9,639)
Payment of costs associated with provisions	**(396)**	-
Net cash used in investing activities	**(5,294)**	(9,639)
Financing activities		
Proceeds on issue of shares	**-**	5,152
Issue costs	**-**	(284)
Loans received	**13,661**	-
Borrowings and Interest paid	**(4,193)**	(3,990)
Net cash inflow from financing activities	**9,468**	878
Increase/ (decrease) in cash and cash equivalents	**1,256**	(578)
Foreign currency translation	**(104)**	(22)
Cash and cash equivalents at beginning of the year	**1,084**	1,684
Cash and cash equivalents at the end of the year	**2,236**	1,084

Notes

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 2016 and 31 December 2015 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 2015 has been delivered to the Registrar of Companies and those for 2016 will be submitted for approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2016 and 31 December 2015 do comply with IFRS.

2. **Going concern**

The Group has made good progress in the year in moving forward the development of the underground mine, but the anticipated progress was delayed by 9 months from the planned timetable. To progress the mine to the full projected capacity the Group does require further funding, which the Group is actively seeking to raise.

However based on the current level of capital investment made it is expected that the mine will increase gold production significantly in the current year. This will enable the Group to meet its continuing obligations as they fall due. In particular, the Group's obligations under its loan agreements to EBRD and its bond holders. The EBRD loan outstanding amounts to US$1.79m as at the date of this report and is payable by quarterly instalments of US$833,000. In order to aid the cash flow African Resources Limited who account for US$10m of the convertible loan debt with a coupon rate of 10%, have agreed to defer the interest due until such time as cash flow permits payment. It should also be noted that during the year the Assaubayev family made available a loan of US$1.66m in order to provide working capital during the transition phase.

The Group has reviewed the cash flows for 12 months based on the projected trading. Based on the information available the Directors are confident that the Group will be able to continue to trade, in the unlikely event that the loan is requested for repayment earlier than scheduled.

As noted above the Directors anticipate that, whilst the Group may seek to raise further finance in the future, it now has access to sufficient funding for its immediate needs. The Group expects to have sufficient cash flow from its forecast production to finance its ongoing operational requirements and to, at least in part, fund the minimum future capital requirements of the Group. Should the funding be delayed or additional funding is required to cover any unforeseen production shortfalls and additional working capital requirements arising from the move to the underground operations or in the event that the EBRD loan is requested for payment earlier than expected, the major shareholder has confirmed their intention to provide further funding to enable to Group to continue its planned operations for at least twelve months from the date of the 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 revenues is as follows:

	2016	2015
	$000	$000
Sale of gold and silver	**15,867**	24,054

Included in revenues from sale of gold and silver are revenues of US$15,862,000 (2014: US$24,017,000) which arose from sales to the Company's largest customer which is based in Kazakhstan.

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$6.4m (2015: loss of US$10.2m)

The weighted average number of ordinary shares for calculating the basic loss in 2016 and 2015 is shown below. As the Company was loss making in 2016, 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.

	2016	2015
Basic and diluted	**2,334,342,130**	2,298,284,596

5. Intangible assets

	Karasuyskoye geological data	Exploration and evaluation costs	US$000
Cost			
1 January 2015	20,736	-	20,736
Translation difference	(9,597)	-	(9,597)
31 December 2015 & 1 January 2016	11,139	-	11,139
Additions	-	396	396
Translation difference	206	-	206
Amortisation capitalised	-	322	322
31 December 2016	11,345	718	12,063
Amortisation			
1 January 2015	1,296	-	1,296
Charge for the year	852	-	852
Translation difference	(896)	-	(896)
31 December 2015 & 1 January 2016	1,252	-	1,252
Charge for the year	553	-	553
Translation difference	(6)	-	(6)
31 December 2016	1,799	-	1,799
Net Book Value			
1 January 2015	19,440	-	19,440
31 December 2015	9,887	-	9,887
31 December 2016	9,546	718	10,264

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.

The value of the geological data purchased is in the opinion of the Directors the value that would have been incurred if the drilling had been undertaken by a third party (or internally). They took the view that a 20 year write off is appropriate in relation to the absorption of the cost given the current development of the site.

6. 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
Cost						
1 January 2015	16,541	15,434	18,852	8,041	29,414	88,282
Additions	104	1,210	1,782	92	6,451	9,639
Disposals	(863)	-	(288)	(8)	(21)	(1,180)
Transfers	-	-	-	-	-	-
Currency translation adjustment	(7,392)	(7,564)	(9,245)	(3,751)	(16,425)	(44,377)
31 December 2015 & 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	-	(18,487)	(3,194)
Transfers to inventories	2,817	-	-	-	-	2,817
Currency translation adjustment	144	156	190	75	333	898
31 December 2016	**11,351**	**24,241**	**12,189**	**5,825**	**4,155**	**57,761**
Accumulated depreciation						
1 January 2015	3,432	6,046	12,768	4,798	-	27,044
Charge for the year	425	1,136	1,840	823	-	4,224
Disposals	-	-	-	(81)	-	(81)
Currency translation adjustment	(1,736)	(3,193)	(6,550)	(2,479)	-	(13,958)
31 December 2015 & 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)
Transfers	-	-	-	-	-	-
Currency translation adjustment	39	95	169	62		365
31 December 2016	**2,262**	**5,100**	**9,584**	**3,499**	**-**	**20,445**
Net book value						
1 January 2015	13,109	9,388	6,084	3,243	29,414	61,238
31 December 2015	6,269	5,091	3,043	1,312	19,419	35,134
31 December 2016	**9,089**	**19,140**	**2,605**	**2,327**	**4,155**	**37,316**

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 plus production in 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.

Under the terms of the loan agreement with the European Bank for Reconstruction and Development (EBRD), the Company and its subsidiaries should have pledged certain assets as security for the loan that was entered into.

The Directors are required to consider whether the non-current assets comprising, mineral properties leases, plant and equipment have suffered any impairment. The recoverable amount is 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. <u>Availability of accounts</u>

The audited Annual Report and Financial Statements for the 12 months ended 31 December 2016 and notice of AGM will shortly be sent to shareholders and published at: www.altyn.uk