

ALTYN PLC

Interim report - six months to 30 June 2017

Altyn Plc ("Altyn" or the "Company"), the gold mining and development company, announces its unaudited results for the six months to 30 June 2017.

Highlights:

Mine development

- Ore extracted from the underground mine increased in line with projections to 30,000 tonnes a month. A further ramp-up to achieve the target of 40,000 tonnes - 45,000 tonnes a month requires further capital investment in underground mining plant and equipment, such as dump trucks, load-haul dumpers and drilling equipment.
- The current level of production was achieved with the following equipment becoming operational in April and May 2017. The LHD Fambition (load-haul-dumper used to fill the underground trucks with ore), and a prospect drilling machine, CSK Sondaj – C400 (used to define and contour the ore bodies to target and extract the higher-grade ores).
- The Company continued the development of the underground mine, developing 160 metres of the transport decline number 2 to 185 Masl.
- Exploration work at the Karasuyskoye area was continued. In the first half of the year, extensive exploration work was carried out at three sites within the contract licence area, the results are currently being analysed.

Production

- Gold recovery is averaging 81-82 per cent, in line with expectations. In H2 2017 new equipment for gravity concentration, which is expected to be operational in H2 2017 will increase gold recoveries further.
- H1 2017 gold production from Sekisovskoye was 7,327 ounces, a two-fold growth compared with H1 2016: 3,694 ounces.
- The actual production was affected by planned maintenance at the processing plant, this operationally closed the plant for three weeks in June 2017. No further closures or maintenance works are planned in the near future.

Financial

- The turnover has increased to US\$9.4 million (H1 2016 US\$6.8 million), an increase of 35 per cent. The gold price has been averaging US\$1,240 ounces during the period (Year 2016 US\$1,250). Signs are that the gold price is on an upward trend.
- The Company achieved a small operating loss of US\$109,000 (H1 2016 Loss - US\$1.3 million), with a loss before taxation of US\$ 1.2 million (H1 2016 Loss US\$2.5 million).
- The total cash cost of production was US\$899 ounces (Year 2016 US\$1,238 ounces).
- EBITDA achieved was positive at US\$2.5 million (Year 2016 US\$0.26 million).
- Cash flow from operating activities was positive at US\$1.6 million, this will be further strengthened in the year as the last tranche of the EBRD loan is payable in October 2017.
- Cash balances at 30 June 2017 were US\$1.5 million, and are sufficient for current operational requirements.

Fund raising

- The Company is in the advanced stages of fund raising negotiations for the acquisition of machinery for the project, it is expected to conclude this in Q4 this year.
- As part of the process of presenting the project to investors and to meet due diligence requirements of potential lenders, a great deal of analysis and background work has been undertaken. The Company's plans were evaluated and the conclusions were positive and supported the current mining methodologies and techniques being used.

Aidar Assaubayev, CEO of Altyn Plc commented:

“The Company is now operating on a sound footing with the basic structures in place to move forward. However, to increase production capacity the Company will need further equipment in order to push production up to the next step of 40,000-45,000 tonnes of ore processing a month. The Company is continuing to look at a number of options to service this need and hope to report back positively in Q4 2017.”

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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

ALTYN PLC

Chief Executive Review

H1 2017 Review

Mine development

In Q2 2017, due to the planned overhaul and maintenance of the processing plant in June 2017. The mining operations were focused on increasing the production capacity, preparing the ore bodies for production and operational exploration.

The plant was shut operationally for three weeks during the maintenance procedures. The following preventive maintenance operations were performed:

- Replaced the cover of mill No. 1;
- Replaced DEN-250 compressor;
- Replaced the METCO crusher's control block;
- Replaced two Varman pumps.

In terms of continuing mine development the transport decline was increased by 160 metres to horizon 185 Masl, opening up access to a number of ore bodies.

The Company ramped up the mine's production capacity and reached the planned current level of 30,000 tonnes per month. A further ramp-up requires the acquisition of additional machinery for underground operations (dump trucks, load-haul dumpers, drilling equipment), and this is currently being negotiated.

In order to achieve the current output the company purchased an LHD Fambition (load-haul-dumper used to fill the underground trucks with ore), and a prospect drilling machine, CSK Sondaj – C400 (used to define and contour the ore bodies to target and extract the higher-grade ores). LHD became operational in April, and the drilling machine in May 2017.

The Company is at the advanced stage of fund raising negotiations for acquisition of machinery for the project, and expects to raise funds and begin the acquisition process for the new equipment in Q4 this year.

The production over the past half year was mainly from the group of ore bodies 5 (5.1-5.7). The reserves were developed at sub-levels 250, 263, 278 and 293 MASL. The Company also developed a group of ore bodies 1 (1.1-1.5) at sub-levels 320 and 340 Masl.

Along with the production, the ore bodies were prepared for production at an outperforming pace:

- Opened the reserves of ore body 11 at horizon 185 Masl.
- Ore body 10 at horizons 200-250 Masl was prepared for production.
- Opened and prepared a group of ore bodies 3-8 at horizons 228-250 Masl for production.
- Opened ore body 2 at horizon 320-350 Masl.

The Company is continuing to progress towards its targeted production of one million tonnes of ore per year, to generate approximately 100,000 ounces per year.

Karasuyskoye

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

In H1, the following work was completed in the Karasuyskoye area:

- Reconnaissance survey of 25 linear kilometres was conducted.
- The reconnaissance survey results were cross checked to the geophysical data acquired by the Company.
- At the Tserkovskoye mineral occurrence:
 - a. A 50 metre long trench was constructed
 - b. 200 linear metres of air drill wells were progressed
 - c. As a result of the work at the Tserkovskoye mineral occurrence, the company clarified the structure and boundaries of the first ¹ and second ore bodies. The results of the work are now being analysed in detail

- The ongoing work includes a topographic adjustment of the areas, and sketch surveys of the old underground excavations at the Glyaden area and surveys at the Gosudarevskiy area.

H1 2017 Operational Overview

Open pit mine		H1 2017	H1 2016
Ore extracted	tons	-	87,319
Gold grade, open pit mine	g/t	-	0.87
Silver grade, open pit mine	g/t	-	1.67

Underground mine		H1 2017	H1 2016
Ore extracted	tons	151,400	28,824
Gold grade	g/t	2.14	2.38
Silver grade	g/t	2.40	4.15

Mineral processing		H1 2017	H1 2016
Milling	tons	131,238	116,834
Gold grade	g/t	2.06	1.33
Silver grade	g/t	2.29	2.70
Gold recovery	%	81.76%	75.87%
Silver recovery	%	71.37%	73.17%
Gold produced	ounces	7,327	3,694
Silver produced	ounces	6,484	6,382

There was a significant increase of five times in production compared to H1 2016. With the Company reaching its targeted production capacity of 30,000 tonnes of ore per month.

The extraction level was maintained at the planned level (81-82 per cent). The Company will keep controlling and monitoring this performance indicator, and hopes to improve this in the near future once the gravity concentration plant is installed in Q4 2017.

As stated in H2 2017, the Company is focused on the construction of the mine and preparation of ore bodies during the plant maintenance works. The resulting associated ore volumes and in particular the quality of development ore led to a decrease in the gold grade. However the gold production almost doubled as compared to the production in H1 2016: 7,327 ounces this year versus 3,694 ounces in the past year.

Moving forward

The Company's plan for the near future:

- Commission the gravity concentration line at the plant in H2, to increase recovery rates.
- Continue negotiations with potential lenders in order to purchase the necessary plant to increase productive capacity in Q4. As a result, the Company plans to increase production to 500,000t of ore in 2018.
- Continue to develop the decline and access to the higher grade ore bodies.

H1 2017 Financial Review

The Company has reported a gross profit of US\$1.5 million for H1 2017, against US\$1.0 million for H1 2016, with turnover of US\$9.2 million (H1 2016 US\$6.8 million).

It is important to note this level of production was achieved with the wind down and subsequent shut down of the processing plant as mentioned for three weeks.

In the period the Company purchased a LHD Fambition (load-haul-dumper used to fill the underground trucks with ore), and a prospect drilling machine, CSK Sondaj – C400 (used to define and contour the ore bodies to target and extract the higher-grade ores). In addition, the costs of exploration at Karasuyskoye were capitalised in accordance with the accounting policy this amounted US\$264,000.

Sekisovskoye produced 7,327 ounces of gold in H1 2016 (H1 2016:3,694 ounces). Gold sold during the period amounted to 7,437 ounces (H12016 5,513 ounces) at an average price of US\$1,237 per ounces (H1 2016: US\$1,235 per ounce). 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\$661 per ounce (Year 2016 US\$832 per ounce). The total cash cost was US\$899 per ounce as compared to US\$1,238 in year ended 2016. Tight controls are being maintained over administrative costs during this period to conserve cash resources.

As of 30 June 2017, the Company had cash balances of US\$1.5 million. During the period, the Company repaid two tranches of debt in relation to the EBRD loan of US\$1.7 million, plus the associated interest. At the current date only one instalment of US\$833,000 and the associated interest remains outstanding. The Company borrowed US\$750,000 during the period to finance working capital requirements. The Company currently has sufficient cash resources to operate, it is expected more significant revenues are to be generated from production towards the end of H2 2017, and this together with the reduction in the debt service requirements will ease pressures on the cash flow.

Aidar Assaubayev
Chief Executive Officer

31 August 2017

ALTYN PLC
Consolidated income statement

	Note	Six months ended 30 June 2017 (unaudited) US\$'000	Six months ended 30 June 2016 (unaudited) US\$'000	Year ended 31 December 2016 (audited) US\$'000
Revenue		9,200	6,811	15,867
Cost of sales		(7,631)	(5,758)	(13,554)
Gross profit		1,569	1,053	2,313
Administrative expenses		(1,766)	(2,390)	(5,352)
Impairments		88	-	(1,107)
Operating loss		(109)	(1,337)	(4,146)
Foreign exchange		213	(883)	283
Finance Expense		(1,290)	(323)	(2,215)
Loss before taxation		(1,186)	(2,543)	(6,078)
Taxation		14	(8)	(278)
Loss attributable to equity Shareholders		(1,172)	(2,551)	(6,356)
Loss per ordinary share				
Basic & diluted (US cent)	2	(0.05c)	(0.1c)	(0.3c)

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

	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
	(unaudited) US\$'000	(unaudited) US\$'000	(audited) US\$'000
Loss for the period/year	(1,172)	(2,551)	(6,356)
Currency translation differences arising on translations of reign operations items which will or may be reclassified to profit or loss	1,296	141	747
Currency translation differences arising on translations of foreign operations relating to taxation		--	866
Total comprehensive profit/(loss) for the period/year attributable to equity shareholders	124	(2,410)	(4,743)

ALTYN PLC
Consolidated statement of financial position

	Notes	Six months ended 30 June 2017 (unaudited) US\$'000	Six months ended 30 June 2016 (unaudited) US\$'000	Year ended 31 December 2016 (audited) US\$'000
Non-current assets				
Intangible asset	3	11,034	9,632	10,264
Property, plant and equipment	4	36,979	36,688	37,316
Inventories		-	499	-
Other receivables		497	2,237	1,100
Deferred tax asset		5,855	5,145	5,855
Restricted cash		39	137	139
		<u>54,404</u>	<u>54,338</u>	<u>54,674</u>
Current assets				
Inventories		2,546	1,790	1,366
Trade and other receivables		3,143	2,649	3,096
Cash and cash equivalents		1,536	4,863	2,236
		<u>7,225</u>	<u>9,302</u>	<u>6,698</u>
Total assets		<u>61,629</u>	<u>63,640</u>	<u>61,372</u>
Current liabilities				
Current tax payable		-	-	(11)
Trade and other payables		(6,515)	(5,049)	(5,877)
Other financial liabilities		(536)	(332)	(461)
Provisions		(189)	(218)	(190)
Borrowings		(2,451)	(6,107)	(4,439)
		<u>(9,691)</u>	<u>(11,706)</u>	<u>(10,978)</u>
Net current liabilities		<u>(2,466)</u>	<u>(2,404)</u>	<u>(4,280)</u>
Non-current liabilities				
Other financial liabilities & payables		(189)	(396)	(444)
Provisions		(4,396)	(3,530)	(3,978)
Borrowings		(13,180)	(12,017)	(11,981)
		<u>(17,765)</u>	<u>(15,943)</u>	<u>(16,403)</u>
Total liabilities		<u>(27,456)</u>	<u>(27,649)</u>	<u>(27,381)</u>
Net assets		<u>34,173</u>	<u>35,991</u>	<u>33,991</u>
Equity				
Called-up share capital		3,886	3,886	3,886
Share premium		141,918	141,918	141,918
Merger reserve		(282)	(282)	(282)
Other reserve		391	-	333
Currency translation reserve		(44,508)	(47,276)	(45,804)
Accumulated loss		(67,232)	(62,255)	(66,060)
Total equity		<u>34,173</u>	<u>35,991</u>	<u>33,991</u>

The financial information was approved and authorised for issue by the Board of Directors on 31 August 2017 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 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 profit for the period	-	-	-	1,296	-	(1,172)	124
Share based payment	-	-	-	-	58	-	58
At 30 June 2017	3,886	141,918	(282)	(44,508)	391	(67,232)	34,173

Unaudited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2016	3,886	141,918	(282)	(47,417)	-	(59,704)	38,401
Loss for the period	-	-	-	-	-	(2,551)	(2,551)
Exchange differences on translating foreign operations	-	-	-	141	-	-	141
Total comprehensive loss for the period	-	-	-	141	-	(2,551)	(2,410)
At 30 June 2016	3,886	141,918	(282)	(47,276)	-	(62,255)	35,991

Audited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2016	3,886	141,918	(282)	(47,417)	-	(59,704)	38,401
Loss for the year	-	-	-	-	-	(6,356)	(6,356)
Other comprehensive loss	-	-	-	1,613	-	-	1,613
Total comprehensive loss for the year	-	-	-	(1,613)	-	(6,356)	(4,743)
Equity component of loans received	-	-	-	-	333	-	333
At 31 December 2016	3,886	141,918	(282)	(45,804)	333	(66,060)	33,991

ALTYN PLC
Notes to the consolidated financial information

		Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
	Note	(unaudited) US\$'000	unaudited US\$'000	(audited) US\$'000
Net cash inflow/(outflow) from operating activities	7	1,639	(3,496)	(2,918)
Investing activities				
Purchase of property, plant and equipment		(966)	(2,574)	(4,898)
Advances paid for equipment		-	(900)	-
Exploration costs		(264)	-	(396)
Net cash used in investing activities		(1,230)	(3,474)	(5,294)
Financing activities				
Loans received		756	13,000	13,661
Loans and Interest paid		(1,865)	(2,251)	(4,193)
Net cash flow from financing activities		(1,109)	10,749	9,468
(Decrease)/increase in cash and cash equivalents		(700)	3,779	1,256
Foreign currency translation		-	-	(104)
Cash and cash equivalents at the beginning of the period/year		2,236	1,084	1,084
Cash and cash equivalents at end of the period/year		1,536	4,863	2,236

1. Basis of preparation

General

Altyn Plc is registered and domiciled in England and Wales, whose share are publicly traded.

The interim financial results for the period ended 30 June 2017 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 2017 has 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 2016. 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 2016. The 2016 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.

During the period the Company secured additional funding in the period for working capital requirements. 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, the Company as mentioned in the CEO statement is in detailed discussions with various other parties regarding potential financing for completion of the expansion. The Company is committed to the underground expansion and project development.

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

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 2016 Annual Report and Accounts and are reviewed on an ongoing basis. There have been no significant changes in the first half of 2017 to the principal risks and uncertainties as set out in the 2016 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. 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 loss for the financial period for calculating the basic loss per share for the period are as follows:

	Six months ended 30 June 2017 (unaudited)	Six months ended 30 June 2016 (unaudited)	Year ended 31 December 2016 (audited)
The basic weighted average number of ordinary shares in issue during the period	2,334,342,130	2,334,342,130	2,334,342,130
The loss for the period attributable to equity shareholders (US\$'000s)	(1,172)	(2,551)	(6,356)

3. Intangible assets

	Karasuskoye Geological data	Exploration and evaluation costs	US\$'000
Cost			
1 January 2016	11,139	-	11,139
Currency translation adjustment	31	-	31
30 June 2016	11,170	-	11,170
Additions	-	396	396
Amortisation capitalised	-	322	322
Currency translation adjustment	175	-	175
31 December 2016	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
Accumulated amortisation			
1 January 2016	1,252	-	1,252
Charge for the period	273	-	273
Currency translation adjustment	13	-	13
30 June 2016	1,538	-	1,538
Charge for the period	280	-	280
Currency translation adjustment	(19)	-	(19)
31 December 2016	1,799	-	1,799
Charge for the period	297	-	297
Currency translation adjustment	161	-	161
30 June 2017	2,257	-	2,257
Net books values			
30 June 2016	9,632	-	9,632
31 December 2016	9,546	718	10,264
30 June 2017	9,583	1,451	11,034

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, ongoing costs in relation to exploration and evaluation are capitalised.

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
Cost					
1 January 2016	8,390	9,080	15,474	19,419	52,363
Additions	-	-	1,947	888	2,835
Disposals	-	-	(138)	-	(138)
Transfers	-	-	-	-	-
Currency translation adjustment	9	16	26	32	83
30 June 2016	8,399	9,096	17,309	20,339	55,143
Additions	-	217	485	2,003	2,705
Disposals	-	-	(525)	(1)	(526)
Transfers	2,817	14,788	505	(18,487)	(377)
Currency translation adjustment	135	140	240	301	816
31 December 2016	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
Accumulated depreciation					
1 January 2016	2,121	3,989	11,119	-	17,229
Charge for the period	43	355	890	-	1,288
Disposals	-	-	(113)	-	(113)
Transfers	-	-	-	-	-
Currency translation adjustment	4	15	32	-	51
30 June 2016	2,168	4,359	11,928	-	18,455
Charge for the period	59	661	1,059	-	1,779
Disposals	-	-	(103)	-	(103)
Currency translation adjustment	35	80	199	-	314
31 December 2016	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
Net Book Values					
1 January 2016	6,269	5,091	4,355	19,419	35,134
30 June 2016	6,231	4,737	5,381	20,339	36,688
31 December 2016	9,089	19,141	4,931	4,155	37,316
30 June 2017	8,008	20,867	5,839	2,265	36,979

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

5. Reserves

A description and purpose of reserves is given below:

Reserve	Description and purpose
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.

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\$117,000 (December 2016 US\$79,000).

	Six months ended 30 June 2017	Six months ended 30 June 2016	Year to December 2016
	US\$	US\$	US\$
Short term employee benefits	154,050	185,543	350,736
	154,050	185,543	350,736
Social security costs	14,954	13,610	33,813
	169,004	199,153	384,549

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

- An amount owing to Asia Mining Group of US\$824,000 in relation to purchases made in the prior period (December 2016 US\$824,000) is included within trade payables.
- Loans at an average interest rate of 13% were made to the Company by Amrita Investments Limited in the prior period. The total amount currently outstanding including accrued interest amounts to US\$1,843,000 (31 December 2016 US\$1,739,000), the repayment terms of the loans have been extended to expire in 2019 and the amounts are shown as payable in more than one year.
- 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. The bonds can be converted into Ordinary shares at 3p per share any time prior to maturity upon demand by the bondholders (subject to necessary corporate and government approvals), The total accrued interest due in the bonds that will be payable as funds permit amounts to US\$1,201m (31 December 2016 US\$ 701,000).

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

7. Notes to the cash flow statement

	Six months ended 30 June 2017 (unaudited) US\$000's	Six months ended 30 June 2016 (unaudited) US\$000's	Year ended 31 December 2016 (audited) US \$000's
Loss before taxation	(1,186)	(2,543)	(6,078)
Adjusted for			
Finance expense	1,290	323	2,358
Depreciation of tangible fixed assets	2,709	1,228	3,068
Amortisation of intangibles	-	273	231
Change in provisions	(99)	-	1,107
(Increase)/decrease in inventories	(1,144)	1,523	1,897
Decrease/(increase) in trade receivables	718	52	(293)
Decrease in other financial liabilities	(229)	(177)	(140)
Decrease in trade and other payables	(721)	(4,884)	(4,890)
Loss on disposal of property, plant and equipment	27	25	440
Fair value adjustment	56	-	(143)
Foreign currency translation	213	883	(283)
Cash inflow/(outflow) from operations	1,634	(3,297)	(2,726)
Income taxes	5	(199)	(192)
	1,639	(3,496)	(2,918)

8. Share-based payments

In February 2017 Neil Herbert (via a company controlled by him Cambrian Limited), was awarded share options over 46,686,843 shares at an exercise price of 2.125p per share with an expiry date of June 2020. The options are subject to the following conditions, the consultancy agreement remains in force, and the average price of an ordinary share exceeds 3p, (based on the average 20 days trading prior to the service of the option).

The fair value at the grant date has been estimated using a binominal pricing model, taking into account the performance conditions noted and was based on the following assumptions:

Expected volatility	62%
Risk free rate	0.4%
Strike price	2.125p
Knock-in barrier	3.0p
Time period	3.4 years
Weighted average share price	2.0p

The weighted average fair value was determined at 0.83p per share. The company recognised a charge of US\$56,000 in relation to the share based expense in the period.

9. 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

ALTYN PLC
Company information

Directors	Kanat Assaubayev Aidar Assaubayev Sanzhar Assaubayev Neil Herbert Ashar Qureshi Alain Balian	Chairman Chief executive officer Executive director 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	www.altyn.uk
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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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