30 April 2019

Altyn Plc

("Altyn" or the "Company")

Results for the year ended 31 December 2018

Altyn Plc (LSE:ALTN) an exploration and development company, is pleased to announce its results for the year ended 31 December 2018.

Highlights

Underground development & exploration

- Additional shaft work was done to provide an additional exit to the surface from the decline in order to reduce the haulage distance, and increase productivity in 2019.
- Operational exploration was carried out carried out at ore bodies no. 1, 2, and 3-8.
- Further safety works were performed at the transport portal, and safety works carried out on the ventilation system.
- Extensive exploration drilling carried out was carried out in ore ore bodies No 2 and 3-8 in the period.
- Test production was carried out at Karasuyskoye with 500t of ore extracted from, the site TerenSai, a ore body identified in the exploration area

Financial highlights

- Turnover decreased in the year to US$19.4m (2017: US$21.6m).
- 14,990oz of gold sold (2017: 16,747oz), an decrease of 1,757oz.
- Average gold price achieved (including silver as a by- product), US$1,292oz, (2017: US$1,293oz).
- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation and excluding impairment) of US$0.9m (2017: US$3.7m).
- In April 2019 the Company obtained a loan from a Kazakh based bank of US$1m, and is in continuing talks with the bank to raise further funds for capital development.
- In February 2018 the Company converted US$9.7m of the US$10m bond issued to African Resources into 233,333,333 new ordinary shares. It is the intention to convert the remaining shares and interest into ordinary shares in Q3 2018.

Operational highlights

- Gold poured 15,282oz, (2017: 16,717oz) a 8.58% decrease year-on-year, the decrease in production was a result of the lower grade obtained from the mixed ore – the ore processed was similar to last year at 348,000t (2017: 333,000t)
- Underground gold grade 1.95g/t, (2017: 2.08g/t).

- Operating cash cost US$865/oz, (2017: US$774/oz).
- Gold recovery rate 83.23% (2017: 83.54%)

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CHAIRMAN'S STATEMENT

Dear shareholders,

Following positive progress made on several financing options during the year, these, initiatives were ultimately abandoned owing to unappealing terms. The company has now embarked on sourcing new alternatives, which resulted in securing an initial loan of US$1m from a Kazakh Bank. Negotiations are ongoing with the lender to secure a further US$13m needed for additional mining equipment.

In the interim, the major shareholder remains committed to the business and matched the bank's disbursement by providing a similar amount in order to purchase a low haulage dumper. This initiative, alongside other developmental work, is expected to increase the monthly run rate of production to approximately 40,000t in 2019.

Operational performance has satisfactory given the circumstances. Production increased slightly, mining grade declined and the company maintained a tight grip on operational expenses. The effects cost improvements were, however, clouded by one-off exceptional items.

At this stage the core focus is to attain a positive resolution on financing which should trigger a significant turnaround in profitability. A strong operational gearing given a lean cost base, expected increase in volumes (60-70kt per month) and associated improvement in grades should result in improved results over the coming periods.

Kanat Assaubayev
Chairman
30 April 2019

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

After reconsidering and weighing funding options the company entered into discussions with a Kazakhstan based bank in order to raise the necessary finance to take the project forward.

The proceeds of an initial loan taken out coupled with an injection of funds from the majority shareholder, are being used in the short term to purchase equipment to increase production from the current levels to approximately 40,000t per month. The expected increase in production is planned to take place towards the end of Q2 2019.

While there were savings on internal costs, the effect of these were clouded by some restructuring and duplication of costs as the Company moved development work from internal resources to an external contractor leading to a higher cost of production during the year.

Current developments

The following was achieved with regards to the underground mine in the year:

- There has been no further development of the decline which was taken down to 150masl in the prior year There is adequate access to a number of ore bodies at this level. In the current mining plan for 2019 there is sufficient mineable ore for the planned production.

  - A cross cut was completed of the transport decline no.2, which was done from two side 250masl and 320masl. This decreased the haulage distance, provided a second exit to the mine surface.
  - During the year extensive maintenance and safety works were carried out including additional ventilation works, maintenance of the tunnels and exit portal.

- Ore bodies that were prepared for production in 2017 ore bodies 3-8 at levels 250masl to 150masl were excavated during 2018. The average grade extracted from this ore body was between 2.37g/t –2.10g/t. These were excavated together with ore bodies No. 1 between levels 320masl and 285masl, which produced an initial grade of 2.01, and ore body 11 between 195masl and 185masl which produced a grade of 1.86g/t.

- Refurbishment of the processing plant and the preparation of the ore bodies were completed to a large extent in the prior year. Necessary maintenance was carried out in 2018 but the capital program was kept to a minimum in order to preserve cash flows.

- During the year the Company placed an order for an additional LHD Caterpillar (load-haul-dumper) at a cost of US$0.7m, which will increase the total number of underground LHDs to 3. This is expected to increase the supply of feedstock to the processing plant to approximately 40,000t per month. Advance payments have also been made for an additional truck to be also delivered in May 2019 at a similar cost. The Company is also expecting to purchase a further haulage trucks towards the end of the year.

During the year the Company has continued to develop its exploration site at Karasuyskoye, spending approximately US$1.6m. These costs were capitalized in line with accounting policy of last year. Test production was achieved with 500t of ore processed from TerenSai (one of the contract areas in

Karasuskoye). A mine and beneficiation plant plans have been designed, and initial procedures drawn up
to start resources exploitation in 2021- 2022. The initial capex requirements have been incorporated into
the budget.

Looking forward

- The plan for 2019 is to reduce the amount of development work in relation to the decline as the Company has achieved sufficient ore bodies. The intention is to move the decline down to 140masl in 2019 to access the predicted higher grade ore of 3.43g/t at ore body 11.

- The ore extraction will be undertaken from ore bodies 11 as noted above, and also ore bodies 3-8. The expected grade from these ore body in 2019 is expected to produce an average grade of 2.41g/t. This together with the feed stock from the additional equipment results in the expectation that production and output will increase in 2019.

- Karasuyskoye exploration will continue as planned with an expected additional spending of US$1.7m in 2019. Exploration effort will be principally concentrated on the TeranSai site which has produced very promising results.

Capital requirements

Future development plans are dependent on raising further funding. Limited short term funding has been
obtained that will enable the Company to increase production and turnover in 2019. It is in negotiations
to obtain debt finance that will substantially meet a large part of the capex requirement. Once the equipment is in place and production is rising, additional funding is expected to come from the Group's internal cash flow generation, and as a backstop from the principal shareholder to fund the expansion. The expectation as it currently stands is that the increased funding will be in place in Q3 2019.

Projected capital expenditures underground operations				
	Total US$m	2019 US$m	2020 US$m	2021 US$m
Prospect drilling	**3.3**	0.3	1.5	1.5
Underground development	**5.6**	2.0	1.6	2.0
Infrastructure	**3.4**	-	3.4	–
Ore handling facilities	**21.9**	6.0	13.6	2.3
Karasuyskoye – exploration	**4.9**	1.7	1.6	1.6
Total	**47.4**	11.7	26.2	9.8

Sekisovskoye operational update

The 2018 operational performance of the Company's Sekisovskoye gold mine during versus the prior year is shown in the tables. The attached mining map shows the grades and ore that were extracted during the year as well as the corresponding extraction plans for 2019. The 2018 range of underground ore grade varied between 1.86g/t to 2.37g/t. For 2019 grades are expected to increase as ore extraction moves to lower depths. As such 2019 grade is expected to average at 2.41g/t with a range of a high 3.43g/t for ore body 11 to a low of 2.01 for ore bodies 3-8.

The recovery rate remained stable at 83.23%(2017: 83.54%). No significant changes are expected in this regard and no further upgrades to the plant are currently anticipated.

The budgets going forward are based on a stable gold price in of US$1,250. No significant changes are expected in the cost structure and no significant write-offs are expected to occur in 2019.

Mining - underground			
		2018	2017
Ore mined	T	**278,883**	287,389
Gold grade	g/t	**1.95**	2.08
Silver grade	g/t	**2.92**	2.80
Contained gold	oz	**17,482**	19,243
Contained silver	oz	**26,110**	25,909

Mining – processing			
		2018	2017
Crushing	T	**340,091**	332,502
Milling	T	**348,169**	332,947
Gold grade	g/t	**1.68**	1.88
Silver grade	g/t	**2.50**	2.56
Gold recovery	%	**83.23**	83.54
Silver recovery	%	**74.37**	73.85
Contained gold	oz	**18,367**	20,040
Contained silver	oz	**27,986**	27,138
Gold poured	oz	**15,282**	16,717
Silver poured	oz	**20,794**	19,989

MARKET REVIEW AND SHARE PRICE PERFORMANCE

Commentary

On a positive note the fundamentals are good. The gold price has been stable and is expected to be in a similar range in the future with some commentators predicting an upward trend, moving up to US$1,400.

As the Company earns its revenue in US Dollars a strengthening Dollar is seen as good for the Company as its principal costs are in Tenge. The only significant liabilities in Dollars are the loans, however the principal loans are not due for repayment until 2021. Again the predictions are that the Dollar will strengthen against the Tenge in the future, slowly moving from its current range of US$380 towards US$400 and beyond.

The share price of the Company has been trading again at a low level, the Directors are aware this is a reflection of the Company not moving to the next stage of operations.

The share price has seen a steady decline from April 2018 to April 2019 from 1.4p to its current value of 0.57p. The Directors are aware this is underperforming all significant benchmarks. The principal driver to the share price will be an increase in production and profitability.

The principal shareholder has committed funds in April 2019 and the Company has obtained a loan of US$1m. This has been used to order new equipment which will come on stream in May 2019. This will start to increase production to the 40,000t target. The Directors are confident that further significant funding can be obtained in the near future to further increase production.

FINANCIAL PERFORMANCE

Key performance indicators (KPIs)

Annual gold poured (oz)
15,282oz

2018	**15,282**
2017	16,717
2016	10,970

Revenue (US$m)
US$19.4m

2018	**19.4**
2017	21.6
2016	15.9

Operating cash production cost (US$oz)
US$865oz

2018	**865**
2017	774
2016	832

Adjusted EBITDA (US$m)
US$0.9m

2018	**0.9**
2017	3.69
2016	0.3

Net assets (US$m)
US$34.9m

2018	**34.9**
2017	33.2
2016	34.0

The gold poured decreased from 16,717oz to 15,282oz from the prior year, reflecting the lower overall gold grade achieved of 1.68g/t (2017: 1.88g/t). This as in the prior year was due to ore being mined from the underground workings being diluted with lower grade stockpiled ore. In addition the underground ore itself is not being extracted in an manner to maximise the grade, and being diluted with lower grade ore. This process is expected to continue until new equipment and targeted ore production can be achieved. As the Company is continuing to use the low grade ore, part of the provision made against the stockpile in prior periods, has been reversed amounting to US$383,000 (2017: US$374,000).

The total cash cost of production, which includes administrative costs but excludes depreciation and provisions, amounted to US$1,235/oz, (2017: US$1,075oz). The operating cash cost amounts to US$865/oz (2017: US$774/oz). This is based on the above but excluding administrative expenses. The cash cost of production has risen as direct consequence of the lower grade and production. In addition there have been additional costs with the restructuring of the internal labour force being replaced by the subcontracted contractors. The Company's aim is still to reduce the long term cash cost of sales down to the range of US$540.

The Group has reported a net loss of US$3.9m before tax (2017: US$1.9m), with a gross profit of US$2.5m (2017: US$4.2m). The operating loss is US$2.5m (2017: loss US$484,00). The principal drivers behind the loss are the restructuring costs of closing down a number of operational departments in Sekisovskoye included within cost of sales. In addition, significant write offs of irrecoverable VAT and other penalties. These are included within administrative costs and amounted to US$2m and are not expected to reoccur in the following year.

The EBITDA is US$0.9m, after adjusting the operating loss of US$2.9m (2017: US$0.48m) for depreciation of US$3.95m (2017: US$4.5m), and impairment gain of US$0.6m (2017: US$0.4m). A positive EBITDA, however lower than the one budgeted.

During 2018, the Company sold 14,990oz of gold (2017 16,747oz). The average price achieved per oz in 2018 was US$1,292 similar to last year, which achieved an average price of US$1,293. The prices are budgeted to stay at similar levels in 2018, and there are no changes anticipated to the sales offtake agreement currently in place to the Kazakh national refinery.

The current cash position and anticipated trading is sufficient for the budgeted capex (with limited expansion), and budgeted production for the next year to increase with the new equipment ordered in May 2019. The principal shareholders have agreed to provide monetary support as necessary, in order to provide any short term financing that may be required.

Cash at year-end was US$105,000 (2017: US$704,000). Resources are sufficient to meet the current working capital requirements. The cash was lower in 2018 as a number of payables outstanding were settled prior to the year end. The Company generated a positive EBITDA which is expected to increase next year as one off costs are avoided. Financing commitments are expected to be met from the cash generation of the Company. Principal financing commitments are payment of interest on the US$2m convertible loan and repayment of short term borrowings from the bank, in total these are expected to amount to approximately US$1m.In 2018 as in 2017 the principal shareholders have agreed to defer any loan repayments, until funds allow.

Until further financing is obtained no significant additional purchasing of equipment is budgeted to be made. A limited capex program is in place for 2019. This will increase output from the current levels to an expected run rate of 40,000t per month. The budgeted capex does include further development of the Karasuyskoye site in 2019, which is seen as a valuable resource.

The consolidated net assets of the Company are US$34.9m (2017: US$33.2m), the change from the prior year is essentially a result of the conversion of the bond liability into equity.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
year ended 31 December 2018

	Notes	2018 US$000	2017 US$000
Revenue	3	**19,366**	21,649
Cost of sales		**(16,871)**	(17,470)
Gross profit		**2,495**	4,179
Administrative expenses		**(5,543)**	(5,037)
Impairments – reversed		**562**	374
Operating loss		**(2486)**	(484)
Foreign exchange		**(196)**	(52)
Finance expense		**(1,283)**	(1,381)
Loss before taxation		**(3,965)**	(1,917)
Taxation charge		**(323)**	(12)
Loss attributable to equity holders of the parent		**(4,288)**	(1,929)
Loss per ordinary share			
Basic & diluted	4	**(0.17c)**	(0.08c)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
year ended 31 December 2018

	2018 US$000	2017 US$000
Loss for the year	**(4,288)**	(1,929)
Currency translation differences arising on translations of foreign operations items that may be reclassified to profit or loss	**(5712)**	98
Currency translation differences arising on translations of foreign operations relating to taxation	**2,560**	1,088
Total comprehensive loss attributable to equity holders of the parent	**(7,440)**	(743)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
year ended 31 December 2018

Company number 5048549	Notes	**2018 US$000**	2017 US$000
Non-current assets			
Intangible assets	5	**12,338**	11,881
Property, plant and equipment	6	**28,391**	35,163
Trade and other receivables		**1,303**	1,476
Deferred tax asset		**7,999**	6,928
Restricted cash		**28**	14
		50,059	55,462
Current assets			
Inventories		**1,297**	1,713
Trade and other receivables		**3,081**	2,531
Cash and cash equivalents		**105**	704
		4,483	4,948
Total assets		**54,542**	60,410
Current liabilities			
Trade and other payables		**(7,846)**	(7,822)
Other financial liabilities		**(122)**	(399)
Provisions		**(94)**	(112)
Borrowings		**(1,218)**	(724)
		(9,280)	(9,057)
Net current liabilities		**(4,797)**	(4,109)
Non-current liabilities			
VAT payable		**(1,383)**	–
Other payables		**(644)**	(160)
Provisions		**(4,412)**	(4,512)
Convertible bonds		**(3,963)**	(12,496)
Borrowings		**-**	(937)
		(10,402)	(18,105)
Total liabilities		**(19,682)**	(27,162)
Net assets		**34,860**	33,248
Equity			
Called-up share capital		**4,054**	3,886
Share premium		**151,470**	141,918

Merger reserve	**(282)**	(282)
Other reserve	**333**	333
Currency translation reserve	**(47,770)**	(44,618)
Accumulated losses	**(72,945)**	(67,989)
Total equity	**34,860**	33,248

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
year ended 31 December 2018

	Note	Share capital US$000	Share premium US$000	Merger reserve US$000	Currency translation reserve US$000	Other reserve US$000	Accumulated losses US$000	Total US$000
1 January 2017		3,886	141,918	(282)	(45,804)	333	(66,060)	33,991
Loss for the year							(1,929)	(1,929)
Other comprehensive income		–	–	–	1,186	–	–	1,186
Total comprehensive loss		–	–	–	1,186	–	(1,929)	(743)
31 December 2017		3,886	141,918	(282)	(44,618)	333	(67,989)	33,248
Loss for the year							(4,288)	(4,288)
Other comprehensive loss		–	–	–	(3,152)	–	–	(3,152)
Total comprehensive loss		–	–	–	(3,152)	–	(4,288)	(7,440)
Conversion of bond into shares	22	168	9,552	–	–	–	(668)	9,052
31 December 2018		4,054	151,470	(282)	(47,770)	333	(72,945)	34,860

Group Reserves	**Description**
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 in to US Dollars.
Other reserve	Amount of proceeds on issue of convertible debt relating to the equity component.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
year ended 31 December 2018

	Notes	**2018 US$000**	2017 US$000
Net cash inflow from operating activities	25	**940**	5,107
Investing activities			
Purchase of property, plant and equipment		**(1,108)**	(2,252)
Disposals of property, plant and machinery		**264**	
Exploration costs		-	(439)
Net cash used in investing activities		**(844)**	(2,691)
Financing activities			
Loans received	25	**151**	724
Loans repaid	25	**(550)**	(4,331)
Interest repaid	25	**(160)**	(341)
Net outflow from financing activities		**(559)**	(3,948)
Decrease in cash and cash equivalents		**(463)**	(1,532)
Foreign currency translation		**(136)**	–
Cash and cash equivalents at beginning of the year		**704**	2,236
Cash and cash equivalents at end of the year		**105**	704

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2018

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 2018 and 31 December 2017 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 2017 has been delivered to the Registrar of Companies and those for 2018 will be submitted for approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2018 and 31 December 2017 do comply with IFRS.

2 Going concern

To progress the mine to the full projected capacity the Company requires further funding, which the Company is endeavoring to put in place. It has received preliminary indication of funding to be made available by a Kazakh based bank. In March 2019 as part of the process an initial US$1m was advanced by the bank to purchase equipment and spares, The Company is in the process of finalising a larger loan with the bank. In addition the major shareholder has provided funds in April 2019 to purchase further equipment in order to increase production.

The Company is continuing to develop its underground mine, production is continuing at a steady pace with gold sold in the current year of 14,990 oz. The Group made a loss before tax in the current year of US$3.9m (2017 loss: US$1.9m) however it generated a positive EBITDA.Cash funding from operations has reduced due to limited capital expenditures during the year. This also contributed a lower production levels. Production and revenues are expected to increase as capital expenditure is made from the loans made into the Company in April 2019.

The Directors have reviewed the cash flows for 15 months from the date of approval of the financial statements based on the projected trading. The Directors are confident that should the fund raising as noted above, not be provided in the expected timeframe the Company will be able to adapt its operational plans such that it continues to operate.

Furthermore the major shareholder has confirmed their intention to provide further funding to enable the Company to continue its planned operations for at least twelve months from the date of 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 revenue is as follows:

	2018 **US$000**	2017 US$000
Sale of gold and silver	**19,030**	21,294
Other sales	**336**	**355**
	19,366	21,649

Included in revenues from sale of gold and silver are revenues of US$19,030,000 (2017: US$21,294,000) which arose from sales of precious metals to one customer based Kazakhstan. Other sales amounted to US$336,000 (2017 US$355,000), and related to sale of machinery and consumables.

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$4.3m (2017: loss of US$1.9m).

The weighted average number of ordinary shares for calculating the basic loss in 2018 and 2017 is shown below. As the Company was loss making in 2018, 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.

	2018	2017
Basic and diluted	**2,552,972,267**	2,334,342,130

5 Intangible assets

	Karasuyskoye geological data	Exploration and evaluation costs	US$000
Cost			
1 January 2017	11,345	718	12,063
Translation difference	79	–	79
Transfers	–	157	157
Additions	–	1,430	1,430
Amortisation capitalized	–	1,021	1,021
31 December 2017 & 1 January 2018	11,424	3,326	14,750
Translation difference	(1,535)	(113)	(1,648)
Additions	–	1,605	1,605

Amortisation capitalized	–	1,101	1,101
31 December 2018	**9,889**	**5,919**	**15,808**
Amortisation			
1 January 2017	1,799	–	1,799
Charge for the year	1,021	–	1,021
Translation difference	49	–	49
31 December 2017 & 1 January 2018	2,869	–	2,869
Charge for the year	1,101	–	1,101
Translation difference	(500)	–	(500)
31 December 2018	**3,470**	**–**	**3,470**
Net book value			
1 January 2017	9,546	718	10,264
31 December 2017	8,555	3,326	11,881
31 December 2018	**6,419**	**5,919**	**12,338**

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 2017 from the Kazakh authorities. The contract is valid for a period of 6 years, which is a right to extend for a minimum period of 4 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). During the year there has been extensive exploratory drilling, a pre- feasibility study was carried out and samples taken from a test production site, which confirmed the expected grades. The directors consider that no impairment is required taking into account the exploration and planned production in the future. The write off, of the geological data over the period of the licence to May 2026 is appropriate. The costs amortised are capitalised in line with the Company's accounting policy within the subsidiary TOO GMK Altyn MM LLP, there are no impairment indicators.

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 2017	11,351	24,241	12,189	5,825	4,155	57,761
Additions	1,196	38	399	283	686	2,602
Disposals	–	(15)	(257)	(53)	(133)	(458)
Transfers	(157)	–	–	–	–	(157)
Transfers to inventories	(1,513)	2,465	(829)	2,469	(2,651)	(59)
Currency translation adjustment	(34)	22	44	4	49	85
31 December 2017 & 1 January 2018	10,843	26,751	11,546	8,528	2,106	59,774
Additions	2,940	2	124	24	721	3,811
Disposals/provision	–	(1)	(563)	(2,620)	–	(3,184)
Transfers	–	1,494	41	–	(1,661)	(126)
Currency translation adjustment	(2,053)	(3,765)	(1,447)	(885)	(188)	(8,338)
31 December 2018	**11,730**	**24,481**	**9,701**	**5,047**	**978**	**51,937**

Accumulated depreciation						
1 January 2017	2,262	5,100	9,584	3,499	–	20,445
Charge for the year	222	2,498	1,452	336	–	4,508
Disposals	–	(15)	(208)	(40)		(263)
Transfers	(180)	(290)	(1,871)	2,282		(59)
Currency translation adjustment	2	(33)	6	5		(20)
31 December 2017 & 1 January 2018	2,306	7,260	8,963	6,082	–	24,611
Charge for the year	251	2,242	1,133	275	–	3,901
Disposals	–	(1)	(356)	(1,085)		(1,442)
Currency translation adjustment	(337)	(1,210)	(1,239)	(738)	–	(3,524)
31 December 2018	**2,220**	**8,291**	**8,501**	**4,534**	**–**	**23,546**
Net book value						
1 January 2017	9,089	19,141	2,605	2,326	4,155	37,316
31 December 2017	8,537	19,491	2,583	2,446	2,106	35,163
31 December 2018	**9,510**	**16,190**	**1,200**	**513**	**978**	**28,391**

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. 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.

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 considered entity specific factors such as available finance, cost of production, grades achievable, and sales price. The directors have concluded that no adjustment is required for impairment.

7 Availability of accounts

The audited Annual Report and Financial Statements for the 12 months ended 31 December 2018 and notice of AGM will shortly be sent to shareholders and published at: www.altyn.uk.