

ALTYN PLC

Interim report - six months to 30 June 2019

Altyn Plc ("Altyn" or the "Company"), the gold mining and development company, announces its unaudited results for the six months to 30 June 2019.

Highlights:

Mine development

- The Company concentrated on the development of the ore bodies 3-8 at level +200MASL and associated infrastructure development works. The Company will commence further development work to take the decline down to +135MASL in Q4 2019.
- During the period the Company conducted extensive exploration drilling of 9 thousand running metres.
- Altyn is in the process of completing a Competent Persons report (CPR) updating the reserve and resource statement on the Sekisovskoye deposit. The results are expected to be released in Q3 2019.
- The Company purchased the following new machinery: CAT R1300G loading and hauling machine and Sandvik TH-430 underground dump truck with a lifting capacity of 30 ton using funding provided by Assaubayev family.

Fund raising

- During the period a member of the Assaubayev family loaned the Company an amount of US\$1.05m on an interest free basis.
- The Company reached an agreement with Kazakh bank, JSC "Bank CenterCredit" (BCC), and as a first step entered into a loan agreement for a sum of KZT350m (approximately USD 950k) which was made to Altyn's subsidiary company Altyn MM LLP that owns and operates the processing plant at the Sekisovskoye gold deposit.
- The Company is currently at an advanced stage with BCC for the provision of development funding, which will be used in order to achieve 800ktpa mining capacity. The Company expects to be in a position to update shareholders in relation to this in Q3 2019.

Production

- Production results in the current period were below budgeted expectations, primarily as a result of some equipment breakdowns and the associated time-lag in receiving the necessary spare parts. As such for Q1 2019 the monthly run rate of ore extraction averaged 13,300t a month compared to 20,000t in the same period in 2018. Following the delivery of the new equipment as noted in the RNS of July 2019 production has increased achieving 29,000t in July 2019.
- The overall grade of ore was higher at 2.06g/t, compared to than 1.96 g/t obtained in 1H 2018.
- The milled ore was 114,000 tons (H1 2018 - 182,000 tons), included lower grade stockpiled ore at 0.5g/t as in the previous period. As a number of ore bodies are ready for production the additional equipment purchased recently will result in increasing production in H2 2019 and going forward.
- Gold recovery averaged 81.53% during the 6-month period (H1 2018 - 83.65%).The decline in average gold recovery was due to a larger share of low grade stockpiles being utilised principally in 2 month period. In July 2019 recovery has returned to its normal value at above 83%
- Gold production was 5,561oz, compared with H1 2018 of 8,461oz.

Financial

- As a result of the setback in production turnover declined to US\$7.2m (H1 2018 US\$10.9m). The gold price achieved averaged US\$1,308oz during the period (Year 2018 US\$1,292).
- The Company made an operating profit of US\$1.3m (H1 2018 profit US\$1.6m), with a net loss before taxation of US\$0.6m (H1 2018 profit US\$0.6m).
- The total cash cost of production was lower at US\$1,015oz (Year 2018 US\$1,235oz), as the Company contained costs during the period.
- EBITDA achieved was positive at US\$1.5m (Year 2018 US\$0.9m).
- Cash flow from operating activities was positive at US\$0.4m, (H1 2018 US\$2.5m)

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Teren-Sai fields (formerly known as Karasuyskoye)

- Exploration work at Teren-Sai ore fields continued in line with the development plans. Development has been intensified at two sites which have been identified as having potential for the extraction of ore at a low cost, within the contract licence area. Positive results were obtained from the test samples taken, and the detailed exploration drilling and trenching combined together with the historical data is being used as the basis for an independent Competent Persons Report (CPR), the results of which are expected in Q3 2019.

Aidar Assaubayev, CEO of Altyn Plc commented:

Recovery in production is well on track with a significant pick up in production in July 2019. The key to moving ahead to the longer term plan is obtaining the necessary development finance. On this front we are optimistic as talks are progressing well and shareholders will be updated in Q3 2019.

In tandem with seeking development finance the management has also been working hard on finalising CPR reports for both the Sekisovskoye site and the Teren-Sai site (formerly known as Karasuyskoye), the results of which will be available shortly.

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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 2019 Review

Mine development

In H1 2019, the Company has concentrated on developing the productive ore bodies. During the period due to equipment failures progress was not in line with that envisaged. It was the intention to take the decline down to the horizon 135masl, this will now commence in Q4 2019.

The actual ore mined ranged from a low of 10,200t in February to a 24,000t in April 2019, resulting in an average tonnage over 6 months of approximately 16,500t (H1 2018: 25,000t). This was a significant shortfall to the prior year, however production has increased after maintenance and currently stands at 28,000t a month.

The production during H1 2019 was mainly from the group of ore bodies 3-8 from 200masl. Ore bodies 3-8 will continue to be developed during H2 2019, and ore will be taken from ore body 11 in addition which has an expected higher grade of 3.43g/t.

Ore body 3-8 were further developed at the 200masl which will release 300,000t for future production, from exploratory drilling conducted the grade is expected to be 2.25g/t at this level. During the period extensive exploratory work was carried out with 9,000 running meters being drilled. Infrastructure repairs were also carried out with enhancements to the sewage system and the ventilation system. Improvements were also made to accessing the various ore bodies with access tunnels being completed between ore bodies 3-8 and ore body 11. This successfully linked the eastern and western flanks of the ore body facilitating the movement of resources between the ore bodies.

Teren-Sai (formerly known as Karasuyskoye)

In addition to the underground mine development the Company is continuing to develop its prospective site at Teren-Sai. With extensive exploratory drilling being undertaken and test production being analysed at the plant based at Sekisovskoye.

H1 2019 Operational Overview – Sekisovskoye

Underground mine		H1 2019	H1 2018
Ore extracted	tons	98,725	152,639
Gold grade	g/t	2.09	1.96
Silver grade	g/t	1.77	3.34

Mineral processing		H1 2019	H1 2018
Milling	tons	113,669	182,832
Gold grade	g/t	1.89	1.72
Silver grade	g/t	1.67	2.98
Gold recovery	%	81.53%	83.65%
Silver recovery	%	70.01%	74.29%
Gold produced	ounces	5,561	8,461
Silver produced	ounces	4,111	12,875

During the period the ore extracted in the first three months averaged 13,300t a month, significantly lower than the prior period. The extraction rate has increased with the new supply of equipment and increased to 28,000t in July 2019.

As in prior periods the difference between the ore extracted and the milling is due to the use of lower grade stockpiled ore. The stockpiled ore has a grade of approximately 0.5%, leading to a processed grade of 1.89 overall (2018: 1.72). As production increases the lower grade ore is not expected to be used.

The gold recovery has dropped from that achieved last year, this is expected to be a short term issue due to a number of breakdowns as elaborated on below. The management are expecting to maintain a recovery rate of above 83%, once the necessary investment has been made.

ALTYN PLC

Chief Executive Review

The underground ore grade continues to be lower than that forecast as it contains a higher quantity of development ore being mined leading to a decrease in the gold grade, again the increase in grade is dependent on the deployment of additional mining equipment.

Current developments

During the period the production has been below budgeted levels due principally to the constraint of having sufficient operational machinery. As a result of time lags in obtaining parts and frequent breakdowns, there was an inevitable impact on to the level of ore mined and subsequent production.

In March 2019 the Company obtained a bank loan and in May 2019 funding was provided by the principal shareholders. The Company used the funds in order to repair the machinery in the interim and are looking to invest in new machinery once further funds become available. In addition, the Company purchased the following new machinery:

- CAT R1300G loading and hauling machine with a bucket capacity of 3.1 m3 from CAT Kazakhstan;
- TN-430 underground dump truck with a lifting capacity of 30 tons from Sandvik Kazakhstan.

The Company is progressing talks with a bank in Kazakhstan to raise funds of approximately US\$17m. The discussions are at an advanced stage, and the Company will update shareholders once agreements have been entered into. The funding will be used to purchase equipment, parts and provide funding to grow the productive capacity. In addition, the Company will continue to develop the decline and ore bodies in order to progress to the next stage of development.

In addition to the principal gold project at Sekisovskoye the Company is continuing the development of the Teren-Sai ore fields. During the year there was extensive drilling conducted the results of which are being interpreted, and will be used for the basis of the independent CPR.

During the period the management instructed a Company to conduct a detailed Competent Person Report (CPR), under JORC (2012), for both projects. The results are expected to be announced in Q3 2019.

H1 2018 Financial Review

The Company has reported a gross profit of US\$1.3m for H1 2019, against US\$2.6m for H1 2018, with turnover of US\$7.2m (H1 2018 US\$10.9m).

Sekisovskoye produced 5,561oz of gold in H1 2019 (H1 2018: 8,461oz). Gold sold during the period amounted to 5,369oz (H1 2018: 8,235oz) at an average price of US\$1,338/oz (H1 2018: US\$1,323/oz). The average price of sales achieved includes revenues generated from silver sales in the period, which are treated as incidental to gold production.

The operating cash cost of production (cost of sales excluding depreciation and provisions) for the period was US\$801/oz (Year 2018 US\$731/oz). The total cash cost was US\$1,073/oz as compared to US\$883/oz in year ended 2018. The increase in cash cost is a result of the lower level of production in the period. Costs have been rationalised and economies made as far as possible.

As of 30 June 2019, the Company had cash balances of US\$50,000. The Company currently has sufficient cash resources when combined with the support of the principal shareholders to continue to operate a cash generative business.

Aidar Assaubayev
Chief Executive Officer

30 August 2019

ALTYN PLC
Consolidated income statement

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
	(unaudited) US\$'000	(unaudited) US\$'000	(audited) US\$'000
Revenue	7,184	10,894	19,366
Cost of sales	(5,914)	(8,240)	(16,871)
Gross profit	1,270	2,654	2,495
Administrative expenses	(1,459)	(1,248)	(5,543)
Impairments	81	176	562
Operating (loss)/profit	(108)	1,582	(2,486)
Foreign exchange	12	(383)	(196)
Finance Expense	(507)	(596)	(1,283)
(Loss)/profit before taxation	(603)	603	(3,965)
Taxation	-	-	(323)
(Loss)/profit attributable to equity shareholders	(603)	603	(4,288)
(Loss)/profit per ordinary share			
Basic & diluted (US cent)	(0.02c)	0.02c	(0.17c)

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

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
	(unaudited) US\$'000	(unaudited) US\$'000	(audited) US\$'000
(Loss)/profit for the period/year	(603)	603	(1,929)
Currency translation differences arising on translations of foreign operations items which will or may be reclassified to profit or loss	411	(2,027)	(5,712)
Currency translation differences arising on translations of foreign operations relating to taxation	-	-	2,560
Total comprehensive loss for the period/year attributable to equity shareholders	(192)	(1,424)	(7,440)

ALTYN PLC
Consolidated statement of financial position

	Notes	Six months ended 30 June 2019 (unaudited) US\$'000	Six months ended 30 June 2018 (unaudited) US\$'000	Year ended 31 December 2018 (audited) US\$'000
Non-current assets				
Intangible asset	3	12,481	11,641	12,338
Property, plant and equipment	4	29,037	34,135	28,391
Other receivables		1,315	-	1,303
Deferred tax asset		8,078	6,750	7,999
Restricted cash		-	16	28
		<u>50,911</u>	<u>52,542</u>	<u>50,059</u>
Current assets				
Inventories		2,017	3,096	1,297
Trade and other receivables		3,829	3,964	3,081
Cash and cash equivalents		50	201	105
		<u>5,896</u>	<u>7,261</u>	<u>4,483</u>
Total assets		<u>56,807</u>	<u>59,803</u>	<u>55,542</u>
Current liabilities				
Trade and other payables		(8,645)	(8,501)	(7,846)
Other financial liabilities		-	(407)	(122)
Provisions		(152)	(85)	(94)
Borrowings		(2,947)	(1,557)	(1,218)
		<u>(11,744)</u>	<u>(10,550)</u>	<u>(9,280)</u>
Net current liabilities		<u>(5,848)</u>	<u>(3,289)</u>	<u>(4,797)</u>
Non-current liabilities				
VAT payable		(885)	-	(1,383)
Other financial liabilities & payables		(636)	(120)	(644)
Provisions		(4,745)	(4,684)	(4,412)
Borrowings		(4,129)	(2,905)	(3,963)
		<u>(10,395)</u>	<u>(7,709)</u>	<u>(10,402)</u>
Total liabilities		<u>(22,140)</u>	<u>(18,259)</u>	<u>(19,682)</u>
Net assets		<u>34,668</u>	<u>41,544</u>	<u>34,860</u>
Equity				
Called-up share capital		4,054	4,210	4,054
Share premium		151,470	151,314	151,470
Merger reserve		(282)	(282)	(282)
Other reserve		333	333	333
Currency translation reserve		(47,359)	(46,645)	(47,770)
Accumulated loss		(73,548)	(67,386)	(72,945)
Total equity		<u>34,668</u>	<u>41,544</u>	<u>34,860</u>

The financial information was approved and authorised for issue by the Board of Directors on 30 August 2019 and were 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 2019	4,054	151,470	(282)	(47,770)	333	(72,945)	34,860
Loss for the period	-	-	-	-	-	(603)	(603)
Exchange differences on translating foreign operations	-	-	-	411	-	-	411
Total comprehensive profit for the period	-	-	-	411	-	(603)	(192)
At 30 June 2019	4,054	151,470	(282)	(47,359)	333	(73,548)	34,668

Unaudited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2018	3,886	141,918	(282)	(44,618)	333	(67,989)	33,248
Profit for the period	-	-	-	-	-	603	603
Exchange differences on translating foreign operations	-	-	-	(2,027)	-	-	(2,027)
Total comprehensive loss for the period	-	-	-	(2,027)	-	603	(1,424)
Equity shares issued	324	9,396	-	-	-	-	9,720
At 30 June 2018	4,210	151,314	(282)	(46,645)	333	(67,386)	41,544

Audited	US\$'000	US\$'000	US'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2018	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 for the year	-	-	-	(3,152)	-	(4,288)	(7,440)
Conversion of bonds into shares	168	9,552	-	-	-	(668)	9,052
At 31 December 2018	4,054	151,470	(282)	(47,770)	333	(72,945)	34,860

ALTYN PLC
Notes to the consolidated financial information

		Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
	Note	(unaudited) US\$'000	unaudited US\$'000	(audited) US\$'000
Net cash inflow from operating activities	7	352	2,504	940
Investing activities				
Purchase of property, plant and equipment		(2,291)	(2,397)	(1,108)
Disposal of property, plant and equipment		-	-	264
Net cash used in investing activities		(2,291)	(2,397)	(844)
Financing activities				
Loans received		2,023	-	151
Loans and Interest paid		(139)	(610)	(710)
Net cash flow from/(used in) financing activities		1,884	(610)	(559)
Decrease in cash and cash equivalents		(55)	(503)	(463)
Foreign currency translation		-	-	(136)
Cash and cash equivalents at the beginning of the period/year		105	704	704
Cash and cash equivalents at end of the period/year		50	201	105

ALTYN PLC
Notes to the consolidated financial information

1. Basis of preparation

General

Altyn Plc is registered and domiciled in England and Wales, whose shares are publicly traded on the London Stock Exchange.

The interim financial results for the period ended 30 June 2019 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 2019 have 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 2018. 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 2018. The 2018 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 from the date these accounts were released.

The Directors consider that the cash generated from its operations from the Company's producing assets to be sufficient to cover the expenses of running the Company's business for the foreseeable future.

In terms of financing the underground development, the Company will not be incurring any substantial capital expenditure until further capital funds are raised under terms acceptable to the Company. The Company is currently in advanced discussions with a Kazakh bank in order to obtain the necessary finance.

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

ALTYN PLC
Notes to the consolidated financial information (continued)

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 2018 Annual Report and Accounts and are reviewed on an ongoing basis. There have been no significant changes in the first half of 2019 to the principal risks and uncertainties as set out in the 2018 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)/profit 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)/profit for the financial period for calculating the basic loss per share for the period are as follows:

	Six months ended 30 June 2019 (unaudited)	Six months ended 30 June 2018 (unaudited)	Year ended 31 December 2018 (audited)
The basic weighted average number of ordinary shares in issue during the period	2,567,875,463	2,528,508,797	2,567,875,463

ALTYN PLC
Notes to the consolidated financial information (continued)

2. (Loss)/profit per ordinary share

The (loss)/profit for the period attributable to equity shareholders (US\$'000s)	(603)	603	4,054
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The potential number of shares which could be issued following the conversion of the bonds currently outstanding amounts to approximately 198m shares being issued on conversion.

3. Intangible assets

	Teren-Sai Geological data	Exploration and evaluation costs	US\$'000
Cost			
1 January 2018	11,424	3,326	14,750
Additions	-	-	-
Amortisation capitalised	-	581	581
Currency translation adjustment	(338)	-	(338)
30 June 2018	11,086	3,907	14,993
Additions	-	1,605	1,605
Amortisation capitalised	-	520	520
Currency translation adjustment	(1,197)	(113)	(1,310)
December 2018	9,889	5,919	15,808
Amortisation capitalised	-	501	501
Currency translation adjustment	112	62	174
30 June 2019	10,001	6,482	16,483
Accumulated amortisation			
1 January 2018	2,869	-	2,869
Charge for the period	581	-	581
Currency translation adjustment	(98)	-	(98)
30 June 2018	3,352	-	3,352
Charge for the period	520	-	520
Currency translation adjustment	(402)	-	(402)
31 December 2018	3,470	-	3,470
Charge for the period	501	-	501
Currency translation adjustment	31	-	31
30 June 2019	4,002	-	4,002
Net books values			
30 June 2018	7,734	3,907	11,641
31 December 2018	6,419	5,919	12,338
30 June 2019	5,999	6,482	12,481

The intangible assets relate to the historic geological information pertaining to the Teren-Sai (formerly 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, with a right to extend for a further 4 years. Ongoing costs in relation to exploration and evaluation are capitalised. The Company is in the process of carrying out a detailed Competent Persons Report on the site, the results of which are expected shortly.

ALTYN PLC
Notes to the consolidated financial information (*continued*)

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 2018	10,843	26,751	20,074	2,106	59,774
Additions	1,837	2	141	417	2,397
Disposals	-	-	(262)	-	(262)
Transfers	389	7	8	(404)	-
Currency translation adjustment	(488)	(686)	(679)	-	(1,853)
30 June 2018	12,581	26,074	19,282	2,119	60,056
Additions	1,103	-	7	304	1,414
Disposals	-	(1)	(2,921)	-	(2,922)
Transfers	(389)	1,487	33	(1,257)	(126)
Currency translation adjustment	(1,565)	(3,079)	(1,653)	(188)	(6,485)
31 December 2018	11,730	24,481	14,748	978	51,937
Additions	1,451	-	652	189	2,292
Disposals	-	(4)	(27)	-	(31)
Transfers	-	-	-	(221)	(221)
Currency translation adjustment	136	236	135	11	518
30 June 2019	13,317	24,713	15,508	957	54,495
Accumulated depreciation					
1 January 2018	2,306	7,260	15,045	-	24,611
Charge for the period	124	1,254	839	-	2,217
Disposals	-	-	(147)	-	(147)
Currency translation adjustment	(65)	(240)	(455)	-	(760)
30 June 2018	2,365	8,274	15,282	-	25,921
Charge for the period	127	988	569	-	1,684
Disposals	-	(1)	(1,294)	-	(1,295)
Transfers	-	-	-	-	-
Currency translation adjustment	(272)	(970)	(1,522)	-	(2,764)
31 December 2018	2,220	8,291	13,035	-	23,546
Charge for the period	122	1,050	440	-	1,612
Disposals	-	(3)	(23)	-	(26)
Currency translation adjustment	21	184	121	-	326
30 June 2019	2,363	9,522	13,573	-	25,458
Net Book Values					
1 January 2018	8,537	19,491	5,029	2,106	35,163
30 June 2018	10,216	17,800	4,000	2,119	34,135
31 December 2018	9,510	16,190	1,713	978	28,391
30 June 2019	10,954	15,191	1,935	957	29,037

The additions in the period relate to the continuing works associated with the underground mine.

ALTYN PLC
Notes to the consolidated financial information (continued)

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.

ALTYN PLC
Notes to the consolidated financial information (continued)

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\$148,000 (December 2017 US\$127,000).

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year to December 2018
	US\$	US\$	US\$
Short term employee benefits	54,600	73,500	189,956
	54,600	73,500	189,956
Social security costs	3,450	7,132	13,469
	58,050	80,632	203,425

During the period, the Company entered into the following transactions in which the Assaubayev family have an interest:

- An amount is owing to Asia Mining Group of US\$458,000, (H1 30 June 2018: US\$522,000) and is included within trade payables.
- Loans at an average in interest rate of 7% were made to the subsidiaries by Amrita Investments Limited. The total amount currently outstanding including accrued interest amounts to US\$1,078,000 (31 December 2018 US\$850,000), the loans are repayable on demand or by 31 December 2019, however the management of Amrita have confirmed that the repayments will only be repaid if cash resources permit.
- During the period a member of the Assaubayev family loaned a subsidiary of the parent Company an amount of US\$1,050,000 on an interest free basis on demand basis, but only to be repaid if cash resources permit.
- The Company has in issue a convertible bond issued to African Resources Limited which carries 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. At 30 June 2019 an amount of US\$2.2m, including accrued interest was payable on the remaining bonds.

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

ALTYN PLC
Notes to the consolidated financial information (continued)

7. Notes to the cash flow statement

	Six months ended 30 June 2019 (unaudited) US\$000's	Six months ended 30 June 2018 (unaudited) US\$000's	Year ended 31 December 2018 (audited) US \$000's
(Loss)/profit before taxation	(603)	603	(3,965)
Adjusted for			
Finance expense	507	596	1,055
Depreciation of tangible fixed assets	1,612	2,217	3,901
(Increase)/decrease in inventories	(720)	(1,383)	332
Decrease in other financial liabilities	(122)	(92)	(277)
(Increase)/decrease in trade receivables	(733)	41	1,432
Decrease/(increase) in trade and other payables	418	4	(1,701)
Loss on disposal of property, plant and equipment	5	135	301
Fair value adjustment	-	-	228
Foreign currency translation	(12)	383	196
Cash inflow from operations		2,504	940
Income taxes	-	-	-
	352	2,504	940

8. 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 Ashar Qureshi Victor Shkolnik	Chairman Chief executive officer 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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Kazakhstan office	10 Novostroyevskaya Sekisovskoye Village Kazakhstan Telephone: +7 (0) 72331 27927 Fax: +7 (0) 72331 27933
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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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