30 April 2020

Altyn Plc

("Altyn" or the "Company")

Results for the year ended 31 December 2019

Altyn Plc (LSE:ALTN) an exploration and development company, is pleased to announce its results for the year ended 31 December 2019.

Highlights

Underground development & exploration

- CPRs completed at both Sekisovskoye and Teren-Sai (Area No 2) – see mineral resources statement.
- Continuation of exploration drilling (5,730m), verification drilling (6,132m) and trenching (1,270m^3) at Area No1 at Teren-Sai.
- Sampling pits and tunnelling conducted to delineate the ore body at Area No2 Teren-Sai.
- Development of ventilation systems between +320 masl and +355masl.
- Exploration drilling to further define the ore body #3, #8 and #10 to update the thickness and characteristics.
- Maintenance and safety procedures conducted at the lower horizons to remain compliant with current regulations.

Financial highlights

- Turnover decreased in the year to US$14.9m (2018: US$19.4m).
- 10,500oz of gold sold (2018: 14,990oz), a decrease of 4,490oz.
- Average gold price achieved (including silver), US$1,390oz, (2018: US$1,292oz).
- The Company made a loss before tax of US$1.04m (2018: loss US$4.0m).
- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation and excluding impairment) of US$3.3m (2018: US$0.9m).
- The Company has obtained a credit facility from a Kazakh based bank for US$17m at interest rates of 6% to 7%.
- The Company has listed US$10m of bonds on the AIX and, at present, there has been an uptake of US$2.6m.

Operational highlights

- Gold poured 10,537oz, (2018: 15,282oz) a 31% decrease year-on-year, the decrease in processing was a result of stoppages due to equipment repairs and maintenance.

- Underground gold grade 1.92g/t, (2018: 1.95g/t).

- Operating cash cost US$854/oz, (2018: US$865/oz).

- Gold recovery rate 82.31% (2018: 83.23%).

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

Information on the Company Altyn Plc (LSE:ALTN) which is an exploration and development company listed on the standard segment of the London Stock Exchange, can be obtained at the website www.altyn.uk

CHAIRMAN'S STATEMENT

Dear shareholders,

Before commenting on the operations of the Company during 2019, I would like to first cover the effects of current coronavirus risk on the Company and its employees. At the country level the Kazakhstani government is taking the outbreak very seriously with restricted working and transport movements principally in the two main cities of Kazakhstan. At the local level the government's approach has been less restrictive by permitting workers to continue attending the mine from the local city Ust-Kamenogorsk as well as allowing the free movement of gold to the refiner. In this context, the Company briefed all workers in relation to safety requirements and supplied them with the necessary safety equipment. The Company is also providing support to its staff both financially and logistically as required, while allowing remote working for head office staff. The fast changing nature of this pandemic, combined with governments' resulting responses to it, will be kept under close review and operations adapted accordingly.

At present there is expected to be minimal impact on the operations of the Company. The Company has sufficient stock of parts and spares to cope with any breakdowns to equipment and to keep production going. In relation to its supply chain for consumables, the Company has sourced alternative suppliers in Kazakhstan for those items that are currently supplied from abroad in the event there are delays or disruption to supply.

Coming onto the operations of the Company in 2019, delayed raising of capital financing resulted in the Company performing below budget in 2019. The funding requirement was only met towards the end of 2019 via a US$17m facility from JSC Bank Center Credit and a US10m bond issuance on the Astana International Exchange, of which US$2.6m was taken up as at the year end. The remaining $7.4m bond issuance is expected to resume post state quarantine.

These funds allowed the Company to purchase new machinery resulting in markedly upward revision in mining and production plans for 2020, the results of which are already visible with 29,000t monthly production recently achieved. Production is expected to further grow this year as more equipment is delivered. This, in addition to the increased knowledge gained through the recently completed CPRs, will provide an excellent platform to take the Company forward. The management is particularly encouraged by the results of Teren-Sai's site No2, which represents only 4 of 15 targets in total.

On behalf of the Board I would like to thank Neil Herbert who resigned in the year, for his hard work and inputs during his time with the Company. I would also like to thank all the staff and management for their hard work and perseverance at this difficult and uncertain time.

Kanat Assaubayev
Chairman
30 April 2020

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

The production results reflect delays in obtaining funding for additional mining equipment which, was only secured late in the second half of the year. Additionally technical interruptions and extended repairs particularly, for the milling machines have severely restricted throughput to the processing plant, resulting in a lower output and the ability for the Company to operate as planned for in 2019.

However, the financing raised, in particular, the bank loan offers an appealing interest rate and a capital repayment holiday (until September 2020), which should allow the Company to boost its mining equipment fleet without straining its cash flows and steadily increase production. Indeed, the first batch of new equipment deliveries is already having a positive impact on production, and we expect to receive a second batch in Q2 2020.

Commentary on results – 2019

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

- As was indicated in the mining plan in the 2018 Annual Report the ore has been extracted from ore bodies 11 and 3-8 between -250masl and -150masl. The gold grade remained comparable to last year at an average over the year of 1.92g/t (2018: 1.95g/t). The expectation was that the grade would increase but the dilution of the ore extracted was at similar levels to the prior year due to the lack of equipment.

- The ore mined at Sekisovskoye during 2019 was 255,000t (2018: 278,000t), recent production results with the delivery of the new machinery has increased this to 29,000t a month with the expectation that this will increase further in H2 2020 once the second batch of equipment arrives.

- The milling and subsequent production was disappointing with milling at 231,000t (2018 348,000t) and gold poured only achieving 10,537 oz (2018: 15,282oz). Unfortunately breakdowns of the milling machines and delays in receiving spare parts and subsequent repairs led to below budget results.

- Development of the Sekisovskoye mine was limited to maintenance work and improvement in access and ventilation. A number of ore bodies that were prepared for processing in 2019 will now be rolled forward into 2020.

- The average gold grade was 1.76g/t (2018: 1.68 g/t) given low grade ore utilisation. The trend should reverse going forward as the majority of the throughput will come from underground ore mining.

The Company continued its exploration programme with a total of 1,490 diamond drill holes down to 400masl for Sekisovskoye. In relation to Teren-Sai, while the Company has a total of 15 targets it has mainly concentrated on 3 targets in area No2 of the Teren-Sai project. Building upon historic drill holes the Company carried an exploration program involving trenching in order to delineate the size and extent of the targets in greater detail. Additionally numerous sampling pits were excavated with the material excavated being sent to the Sekisovskoye processing plant for testing and analysis.

Teren-Sai will initially operate an open pit mine to exploit approximately 360,000oz reserves. Initial costs in relation to the Teren-Sai project are included in the capex budget below.

In order to incorporate recent exploration results and update the 2014 Competent Persons Report the Company instructed Ernst and Young to complete two CPRs on Sekisovskoye and Teren-Sai (area No2). The results were very encouraging and are detailed in the mineral resources statement in the Annual Report.

Purchase of plant and equipment

The company has used the funds received in 2019 to mainly purchase the equipment as detailed below (in addition to buying other smaller machinery items and parts as necessary). Out of the US$17m raised from JSC Bank Center Credit the majority is earmarked specifically for the purchase of plant and machinery.

The following summarises the major items of equipment which have been delivered during 2020 to the Sekisovskoye mine site:

- Front-end loader ZL 50G
- Dump truck 25t Chacman
- Material handling trucks CAT R1300 – 3 units
- Underground haulers CAT AD30 – 3 units

In addition to the above the following equipment is on order with an expected delivery in H2 2020:

- Face drilling rig Atlas Copco T1D
- Ring drilling rig Atlas Copco T1D
- Exploration drilling rig Atlas Copco Diamec U4

Further machinery and plant will be ordered in 2020 as required under the capital expenditure plan.

Capital requirements

The capex requirements for the next three years are detailed in the table below. The budgeted plans foresee the Company expanding ore extraction and production to 850,000t per annum for Sekisovskoye.

Mining results ore extraction			
		2019	2018
Ore mined	T	**255,134**	278,883
Gold grade	g/t	**1.92**	1.95
Silver grade	g/t	**1.37**	2.92
Contained gold	oz	**15,760**	17,482
Contained silver	oz	**11,239**	26,110

Mining results processing			
		2019	2018
Crushing	T	**239,046**	340,091
Mining	T	**230,966**	349,169
Gold grade	g/t	**1.76**	1.68
Silver grade	g/t	**1.37**	2.50
Gold recovery	%	**82.31**	63.23
Silver recovery	%	**69.88**	74.37
Contained gold	oz	**12,981**	18,367
Contained silver	oz	**9,819**	27,986
Gold Poured	oz	**10,537**	15,282
Silver poured	oz	**6,760**	20,794

Projected capital expenditures				
	Total US$m	2020 US$m	2021 US$m	2022 US$m
Prospect drilling	**2.5**	0.8	0.9	0.8
Underground development	**14.2**	5.9	4.8	3.5
Infrastructure	**1.8**	1.6	–	0.2
Ore handling facilities	**7.3**	4.1	–	3.2
Process plant incremental expansion	**7.5**	4.5	2.4	0.6
Teren-Sai exploration programme	**3.3**	1.4	1.5	0.4
Total	**36.6**	18.3	9.6	8.7

Future development plans are dependent on raising further funding.

Longer term plan

Sekisovskoye

The plan consists in operating the Sekisovskoye Mine at 850kt annual capacity for three years then ramping up production to 2Mtpa over a six year period. This will be achieved by increasing the capacity of the existing processing plant to 1Mtpa from 0.85Mtpa for US$8.4m and constructing a new 1Mtpa metallurgical plant and tailings dumps for US$45.7m. The 2Mtpa production level is planned to be achieved with the development of vertical skip, cage and ventilation shafts down to the -430masl level. As such, while the mine is being currently accessed via two declines, a capital expenditure ("Capex") of US$204m is planned for the Life of mine underground expansion in order to develop a new vertical skip, cage and ventilation shafts as well as the associated infrastructure. A further US$83.1m is planned for new underground mining and haulage equipment fleet.

Teren-Sai

Mining operations at the Teren-Sai Project are planned to include both surface and underground mining methods. The open pit mining method will make use of a suite of trucks and excavators, while underground operations will make use of the sub-level stoping mining method, similar to the underground operations at the adjacent Sekisovskoye Mine. It is expected that open pit mining covers a +490masl to +350masl depth range while the underground mining will be conducted from +350masl to +25masl.

Processing

The planned Teren-Sai processing plant will be a conventional carbon-in-leach ("CIL") gold recovery plant, similar to the neighbouring Sekisovskoye mine process plant.

MARKET REVEW AND SHARE PRICE PERFORMANCE

While the Directors understand that the Company's share performance faced headwinds due to delayed funding, the current valuation is considered to be an under-estimate of the fundamental value of the business. The Directors believe that the share price is at an inflection point and should progressively start reflecting improvement in fundamentals. The Company has secured adequate financing to expand production, with the first batch of equipment deliveries already translating into increased production. More equipment is expected later in the year, which should expand production further. The gold price steadily increased in 2019 reaching US$1,500oz towards the end of the year. This positive momentum is being currently maintained during the COVID-19 crisis.

The current uncertain economic environment and actions to be taken by governments and by global central banks are expected to offer a continued positive environment for gold. However the Company is taking a conservative approach by budgeting a gold price of US$1,450oz . Overall, the Directors are expecting a supportive outlook for the Company's revenues, while its cost base growth should decelerate due to weaker KZT given globally declining energy prices. Finally, the repayment schedule on the recently obtained financing (annual amortisation until 2026 for the bank loan and bullet repayment in 2021/22 for the bonds) favourably matches the cash flow generation of the company which is expected to improve significantly.

FINANCIAL PERFORMANCE

Key performance indicators (KPIs)

Annual gold sales (oz)

2019	**10,500**
2018	14,990
2017	16,747

Annual gold poured (oz)

2019	**10,537**
2018	15,282
2017	16,717

Revenue (US$m)

2019	**14.9**
2018	19.4
2017	21.6

Operating cash production cost (US$oz)

2019	**854**
2018	865
2017	774

Adjusted EBITDA (US$m)

2019	**3.3**
2018	0.9
2017	3.69

Net assets (US$m)

2019	**33.3**
2018	34.9
2017	33.3

The gold poured decreased from 15,282oz to 10,537oz in the year ended 2019 from the prior year, reflecting the lack of equipment and closures of the sections of the processing plant as parts were being sourced. This resulted in a lower level of ore milled at 231,000t as opposed to 348,000t in the prior year, and an overall lower level of production in the year. The actual ore mined was down only by 8% from 278,000t to 255,000t, resulting in contained gold of 15,759oz as opposed to 17,463oz in 2018, and at a similar grade of 1.92g/t as opposed to 1.95g/t in 2018.

During 2019, the Company sold 10,500oz of gold (2018 14,990oz). The average price achieved per oz in 2019 was US$1,390 with the gold price trending up. In 2018 the Company achieved an average price of US$1,292. The average prices are budgeted to stay at similar levels in 2020, at approximately US$1,450oz and there are no changes anticipated to the sales offtake agreement currently in place with the Kazakh national refinery. As in the prior year sales are translated at the spot US$ rate at the point the gold is sold. However, currently with the Tenge devaluing against the US$ by approximately 20% in Q1 2020, this is positive for the Company, as a significant proportion of expenses are denominated in Kazakh Tenge.

The Company has factored in the effects as far as possible for disruptions caused by the coronavirus pandemic but on our analysis, at this stage there would appear to be no material issues to consider.

The overall grade achieved is lower than long term production plan assumptions. The dilution resulted from mixing low grade stockpiles with underground ore. The grade and production are expected to improve with the deliveries of new equipment expected in Q2 2020.

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$138,000 (2018: US$383,000). The EBITDA achieved by the Company has been adjusted for this and other impairments.

The total cash cost of production, which includes administrative costs but excludes depreciation and provisions, amounted to US$1,104/oz, (2018: S$1,235oz). The operating cash cost excluding administrative costs amounted to US$854/oz (2018: US$865/oz). The cash cost of production has been kept under control as result of efficiency gains particularly labour costs.

The Group has reported a net loss of $1.0m before tax (2018: US$4.0m), with a gross profit of US$2.5m (2018: US$2.5m). The operating profit is US$25,000 (2018: loss US$2.5m). In the prior year, the Company suffered a one-off cost resulting from VAT write-offs and other government payments amounting to US$2.2m. These savings together with reduced staff costs of approximately US$1.44m have helped to push the administrative costs down from US$5.5m to US$2.6m.

The EBITDA is US$3.3m, after adjusting the operating profit by US$25,000 (2018: loss US$2.5m) for depreciation of US$3.4m (2018: US$3.9m), and an impairment gain of US$107,000 (2018: US$562,000).

Cash at year-end increased to US$1.9m (2018: US$105,000) as a result of debt raising in the year. Resources are sufficient to meet the current working capital requirements and purchase of capital equipment in the current budget.

The main financing commitments were payment of interest on the 10% US$2m convertible loan and repayment of principal and interest on the bank borrowings. In total these are expected to amount to approximately US$3.0m in 2020.

The consolidated net assets of the Group are US$33.3m (2018: US$34.9m).

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2019

	Notes	2019 US$000	2018 US$000
Revenue	3	**14,908**	19,366
Cost of sales		**(12,390)**	(16,871)
Gross profit		**2,518**	2,495
Administrative expenses		**(2,600)**	(5,543)
Impairments – reversed		**107**	562
Operating profit/(loss)		**25**	(2,486)
Foreign exchange		**116**	(196)
Finance expense		**(1,183)**	(1,283)
Total finance cost		**(1,067)**	(1,479)
Loss before tax		**(1,042)**	(3,965)
Taxation expense		**(214)**	(323)
Loss for the year attributable to the equity holders of the parent		**(1,256)**	(4,288)
Loss per ordinary share			
Basic & diluted	4	**(0.05c)**	(0.17c)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

	2019 US$000	2018 US$000
Loss for the year	**(1,256)**	(4,288)
Items that will not be reclassified subsequently to profit or loss		
Currency translation differences arising on translations of foreign operations	**129**	(5,712)
– items that may be reclassified to profit or loss		
Currency translation differences on translation of foreign operations relating to tax	**(461)**	2,560
	(332)	(3,152)
Total comprehensive loss for the year	**(1,588)**	(7,440)
Total comprehensive loss attributable to equity holders of the parent	**(1,588)**	(7,440)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2019

	Notes	2019 US$000	2018 US$000
Assets			
Non-current assets			
Intangible assets	5	**12,943**	12,338
Property, plant and equipment	6	**30,316**	28,391
Deferred tax assets		**7,356**	7,999
Trade and other receivables		**6,048**	1,303
Restricted cash		**–**	28
		56,663	50,059
Current assets			
Inventories		**3,631**	1,297
Trade and other receivables		**3,615**	3,081
Cash and cash equivalents		**1,934**	105
		9,180	4,483
Total assets		**65,843**	54,542
Equity and liabilities			
Current liabilities			
Trade and other payables		**(7,553)**	(7,846)
Other current financial liabilities		**–**	(122)
Provisions		**(130)**	(94)
Loans and borrowings		**(2,550)**	(1,218)
		(10,233)	(9,280)
Non-current liabilities			
VAT payable		**(964)**	(1,383)
Other payables		**(1,333)**	(644)
Provisions		**(5,007)**	(4,412)
Loans and borrowings		**(15,027)**	(3,963)
		(22,331)	(10,402)
Total liabilities		**(32,564)**	(19,682)
Equity			
Share capital		**(4,055)**	(4,054)
Share premium		**(151,476)**	(151,470)
Merger reserve		**282**	282
Other reserves		**(333)**	(333)
Foreign currency translation reserve		**48,102**	47,770
Accumulated losses		**74,201**	72,945
Equity attributable to owners of the company		**(33,279)**	(34,860)
Total equity and liabilities		**(65,843)**	(54,542)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	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
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	–	–	–	(3,152)	–	(4,288)	(7,440)
Conversion of bond into shares	168	9,552	–	–	–	(668)	9,052
At 31 December 2018	4,054	151,470	(282)	(47,770)	333	(72,945)	34,860
At 1 January 2019	4,054	151,470	(282)	(47,770)	333	(72,945)	34,860
Loss for the year	–	–	–	–	–	(1,256)	(1,256)
Other comprehensive loss	–	–	–	(332)	–	–	(332)
Total comprehensive loss	–	–	–	(332)	–	(1,256)	(1,588)
New share capital subscribed	1	6	–	–	–	–	7
At 31 December 2019	**4,055**	**151,476**	**(282)**	**(48,102)**	**333**	**(74,201)**	**33,279**

CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 December 2019

	2019 US$000	2018 US$000
Cash flows from operating activities		
Net cash (outflow)/ inflow from operating activities	**(2,832)**	940
Cash flows from investing activities		
Acquisitions of property plant and equipment	**(7,180)**	(1,108)
Proceeds from sale of property plant and equipment	**20**	264
Acquisition of intangible assets	**(552)**	–
Net cash used in investing activities	**(7,712)**	(844)
Cash flows from financing activities		
Interest paid	**(193)**	(160)
Loans received	**14,089**	151
Loans repaid	**(1,523)**	(550)
Net cash inflow/(outflow) from financing activities	**12,373**	(559)
Net increase/(decrease) in cash and cash equivalents	**1,829**	(463)
Cash and cash equivalents at 1 January	**105**	704
Effect of exchange rate fluctuations on cash held	**–**	(136)
Cash and cash equivalents at 31 December	**1,934**	105

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

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 2019 and 31 December 2018 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 2018 has been delivered to the Registrar of Companies and those for 2019 will be submitted for approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2019 and 31 December 2018 do comply with IFRS.

2 Going concern

During the year the Company obtained funding commitments of US$19.6m, of which US$8m was undrawn as at the year- end in relation to the bank debt. Further funding is continuing to be raised on the Astana International exchange (AIX) through a bond placement of US$10m of which at the year end the Company had placed US$2.6m. At the year-end company has cash resources of US$1.9m available.

The Board have reviewed the Group's forecast cash flows for the period to June 2021. Capital and operating costs are based on approved budgets and latest forecasts in the case of 2020 and current development plans in the case of 2021. Based on the Group's cash flow forecasts, the Directors believe that the combination of its current cash balances, net cash flows from operations, and increased production based on projections of future growth in production, are sufficient for the Company to achieve its short-term plans and meet its cash flow requirements. With the delivery of equipment and parts in 2020, the production has increased its run rate to 29,000t a month, with the Company targeting 40,000t in the latter part of 2020 once further equipment is purchased.

However the plans were drawn up prior to the COVID-19 pandemic and due to the potential disruption to trading that may arise there is a material uncertainty that the future plans may not be achievable and the potential impact to the Company as a going concern.

Whilst there has been little impact of COVID-19 on the Group's operations at present there may be significant impacts on the business going forward which are currently unknown. The Board has considered possible stress case scenarios for the impact on the Group's operations, financial position and forecasts. Whilst the potential future impacts of COVID-19 are unknown the Board has considered operational disruption that may be caused by the factors such as a) restrictions applied by governments, illness amongst our workforce and disruption to supply chain and possible impact on refining of gold. As the situation is evolving and changing the Company has prepared and analysed forecasts in relation to a situation in which the Company may have to suspend operations for a potential period of three months. In this instance the Company has forecast that additional funding would be required to support the Company's liquidity position. The level of funding would increase if operations were suspended beyond this time frame.

The principal shareholders have indicated that they would be prepared to offer the necessary support that the Company may require to bridge any shortfall. The Board has reviewed the support they are able to offer in terms of amount required and liquidity, and have factored this into the model. The Company would also consider other avenues in order to maintain liquidity such as approaching the bank to draw down existing credit facilities to assist in its working capital requirements.

The Board considers it is appropriate to adopt the going concern basis of accounting in preparing these financial statements, having considered a period of at least 12 months from the date of approval of the financial statements.

However, at the date of approval of these financial statements, due to the potential future impact of COVID-19 it is uncertain if the Company will be able to take suitable other measures as required to maintain liquidity. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. As such this is considered to be a material uncertainty.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019	2018
	US$000	US$000
Sale of gold and silver	**14,623**	19,030
Other sales	**285**	336
	14,908	19,366

Included in revenues from sale of gold and silver are revenues of US$14,623,000 (2018: US$19,030,000) which arose from sales of precious metals to one customer based in Kazakhstan. Other sales amounted to US$285,000 (2018 US$336,000) 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$1.3m (2018: loss of US$4.3m).

The weighted average number of ordinary shares for calculating the basic loss in 2019 and 2018 is shown above. As the Company was loss making in 2019, 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.

	2019	2018
Basic and diluted	**2,567,772,041**	2,552,972,267

5 Intangible assets

Group	Teren-Sai geological data US$000	Exploration and evaluation costs US$000	Total US$000
Cost or valuation			
At 1 January 2018	11,424	3,326	14,750
Additions	–	1,605	1,605
Amortisation capitalised	–	1,101	1,101
Currency translation	(1,535)	(113)	(1,648)
At 31 December 2018	9,889	5,919	15,808
At 1 January 2019	9,889	5,919	15,808
Additions	–	552	552
Amortisation capitalised	–	992	992
Currency translation	42	25	67
At 31 December 2019	**9,931**	**7,488**	**17,419**
Amortisation			
At 1 January 2018	2,869	–	2,869
Amortisation charge	1,101	–	1,101
Currency translation	(500)	–	(500)
At 31 December 2018	3,470	–	3,470
At 1 January 2019	3,470	–	3,470
Amortisation charge	992	–	992
Currency translation	14	–	14
At 31 December 2019	**4,476**	–	**4,476**
Carrying amount			
At 31 December 2019	**5,455**	**7,488**	**12,943**
At 31 December 2018	6,419	5,919	12,338
At 1 January 2018	8,555	3,326	11,881

The intangible assets relate to the historic geological information pertaining to the Teren-Sai ore fields. The ore fields are located in close proximity to the current open pit and underground mining operations of Sekisovskoye. The Company obtained a contract for exploration and evaluation on the site in May 2016 from the Kazakh authorities. The contract is valid for a period of 6 years, with a right to extend over a further 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). The Company has continued to develop the site with a CPR completed in the year on one of the fifteen target zones area 2, which includes 3 potential targets.

The Directors consider that no impairment is required taking into account the CPR results, 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. After that period 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 buildings US$000	Assets under construction US$000	Total US$000
Cost or valuation						
At 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	–	(1)	(563)	(2,620)	–	(3,184)
Transfers	–	1,494	41	–	(1,661)	(126)
Currency translation	(2,053)	(3,765)	(1,447)	(885)	(188)	(8,338)
At 31 December 2018	11,730	24,481	9,701	5,047	978	51,937
At 1 January 2019	11,730	24,481	9,701	5,047	978	51,937
Additions	2,140	71	239	2,469	301	5,220
Disposals	–	(4)	(34)	(41)	–	(79)
Transfers	–	134	–	–	(134)	–
Transfer to inventories	–	–	–	–	(81)	(81)
Currency translation	79	104	39	26	3	251
At 31 December 2019	**13,949**	**24,786**	**9,945**	**7,501**	**1,067**	**57,248**
Depreciation						
At 1 January 2018	2,306	7,260	8,963	6,082	–	24,611
Charge for year	251	2,242	1,133	275	–	3,901
Eliminated on disposal	–	(1)	(356)	(1,085)	–	(1,442)
Currency translation	(337)	(1,210)	(1,239)	(738)	–	(3,524)
At 31 December 2018	2,220	8,291	8,501	4,534	–	23,546
At 1 January 2019	2,220	8,291	8,501	4,534	–	23,546
Charge for the year	209	2,133	794	217	–	3,353
Eliminated on disposal	–	(3)	(30)	(40)	–	(73)
Currency translation	12	35	40	19	–	106
Transfers	–	107	(101)	(6)	–	–
At 31 December 2019	**2,441**	**10,563**	**9,204**	**4,724**	**–**	**26,932**
Carrying amount						
At 31 December 2019	**11,508**	**14,223**	**741**	**2,777**	**1,067**	**30,316**
At 31 December 2018	9,510	16,190	1,200	513	978	28,391
At 1 January 2018	8,537	19,491	2,583	2,446	2,106	35,163

Capitalised costs of mining property are amortised over the life of the mine from the 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, 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.