

EQUATORIAL MINING AND EXPLORATION PLC

(“EME” OR THE “COMPANY”)

CHAIRMAN’S STATEMENT

Interim Results for the six months ended 30th June 2016

I have pleasure in announcing our interim figures for the six months ended 30 June 2016.

In our last statement at the time of the AGM, we announced that efforts were still underway to secure additional funding for exploration of the coal licences which we control. We have had only partial success, and I’m pleased to report that our warrant holders, including me, are in the process of exercising, thus bringing a small amount of vital funding into the company.

In terms of coal exploration, with limited available funding we have been unable to progress to undertake a reasonable core drilling programme, and therefore have no operational results to report. It remains unproven whether we have commercially viable coal within our tenements, which requires further exploration to determine. Without this knowledge, we have come to the realisation that investor sentiment is not positive on the region or sector.

Accordingly, the board is considering other minerals and other countries which might be of greater interest and has started early exploratory talks with a range of parties. The minerals in discussion include gold, anthracite, diamonds and specialist metals.

Notwithstanding the above activity, we remain close to the ground in Nigeria and committed to finding opportunities to the benefit of EME. This includes other sites with clear evidence of commercial coal.

We shall keep shareholders carefully apprised of developments.

22nd September 2016

Enquiries:

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The Directors take responsibility for this announcement.

EQUATORIAL MINING AND EXPLORATION PLC

UNAUDITED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

	6 Months to 30 June 2016 GBP'000	6 Months to 30 June 2015 GBP'000	Year to 31 December 2015 GBP'000
Administrative expenses	(132)	(316)	(746)
Share-based compensation	-	-	(63)
Profit/(loss) from operations	<u>(132)</u>	<u>(316)</u>	<u>(809)</u>
Investment income (expense)	<u>(7)</u>	<u>-</u>	<u>(2)</u>
Profit/(loss) before taxation	(139)	(316)	(811)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) from continuing operations	<u><u>(139)</u></u>	<u><u>(316)</u></u>	<u><u>(811)</u></u>
Earnings/(loss) per share (note 3)			
Basic and diluted (pence)	<u><u>(0.003)</u></u>	<u><u>(0.009)</u></u>	<u><u>(0.020)</u></u>

EQUATORIAL MINING AND EXPLORATION PLC

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
30 JUNE 2016**

	6 Months to 30 June 2016 GBP'000	6 Months to 30 June 2015 GBP'000	Year to 31 December 2015 GBP'000
Profit/(loss) for the period	<u><u>(139)</u></u>	<u><u>(316)</u></u>	<u><u>(811)</u></u>
Total comprehensive income	<u><u>(139)</u></u>	<u><u>(316)</u></u>	<u><u>(811)</u></u>

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**UNAUDITED STATEMENT OF CHANGES FOR THE SIX MONTHS ENDED
30 JUNE 2016**

	Share capital GBP'000	Share premium GBP'000	Retained earnings GBP'000	Share-based compensation reserve GBP'000	Investments in own shares GBP'000	Total GBP'000
Balance as at 1 January 2016	476	1,204	(2,244)	71	(79)	(572)
Total recognised income and expense for the period	-	-	(139)	-	-	(139)
Balance at 30 June 2016	<u>476</u>	<u>1,204</u>	<u>(2,383)</u>	<u>71</u>	<u>(79)</u>	<u>(711)</u>
Balance as at 1 January 2015	273	1,638	(1,586)	198	-	523
Total recognised income and expense for the period	-	-	(316)	-	-	(316)
Cancellation of share- based compensation	-	-	-	(37)	-	(37)
Issue of new shares	154	-	-	-	-	154
Arising on cancellation of shares issued in 2014	(36)	(469)	-	-	36	(469)
Balance at 30 June 2015	<u>391</u>	<u>1,169</u>	<u>(1,902)</u>	<u>161</u>	<u>36</u>	<u>(145)</u>

EQUATORIAL MINING AND EXPLORATION PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	As at 30 June 2016 GBP'000	As at 30 June 2015 GBP'000	As at 31 December 2015 GBP'000
Assets			
Current assets			
Trade and other receivables	81	58	21
Cash and cash equivalents	46	26	24
	<u>127</u>	<u>84</u>	<u>45</u>
Total assets	<u><u>127</u></u>	<u><u>84</u></u>	<u><u>45</u></u>
Equity and liabilities			
Share capital	476	391	476
Investment in own shares	(79)	36	(79)
Share premium account	1,204	1,169	1,204
Share-based compensation reserve	71	161	71
Retained earnings	(2,383)	(1,902)	(2,244)
	<u>(711)</u>	<u>(145)</u>	<u>(572)</u>
Total equity	(711)	(145)	(572)
Current liabilities			
Trade and other payables	478	229	617
Long term liabilities			
Convertible loan	360	-	-
	<u>127</u>	<u>84</u>	<u>45</u>
Total equity and liabilities	<u><u>127</u></u>	<u><u>84</u></u>	<u><u>45</u></u>

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**UNAUDITED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED
30 JUNE 2016**

	6 Months to 30 June 2016 GBP'000	6 Months to 30 June 2015 GBP'000	Year to 31 December 2015 GBP'000
Cash flows from operating activities			
Profit/(Loss) before income tax	(139)	(316)	(811)
Share-based compensation	-	-	(132)
Finance income (cost)	7	-	2
	<u> </u>	<u> </u>	<u> </u>
Operating cash flows before movement in working capital and provisions	(132)	(316)	(941)
(increase)/decrease in trade and other receivables	(60)	42	45
(Decrease)/increase in trade and other payables	(139)	102	513
	<u> </u>	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(331)</u>	<u>(172)</u>	<u>(383)</u>
Cash flows from investing activities			
Interest received	2	-	-
Interest paid	(9)	-	(2)
Investment in own issued share capital	-	-	79
	<u> </u>	<u> </u>	<u> </u>
Net cash generated from investing activities	<u>(7)</u>	<u>-</u>	<u>77</u>
Cash flows from financing activities			
Increase in shareholder loans	360	-	-
Issue of new shares	-	140	272
	<u> </u>	<u> </u>	<u> </u>
	360	140	272
	<u> </u>	<u> </u>	<u> </u>
Net decrease in cash and cash equivalents	22	(32)	(34)
Net cash and cash equivalents at beginning of period	24	58	58
	<u> </u>	<u> </u>	<u> </u>
Net cash and cash equivalents at end of period	<u><u>46</u></u>	<u><u>26</u></u>	<u><u>24</u></u>

EQUATORIAL MINING AND EXPLORATION PLC

NOTES TO THE ACCOUNTS

FOR SIX MONTHS ENDED 30 JUNE 2016

1. Basis of preparation of interim report

The financial information for the period ended 30 June 2016 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It has been prepared in accordance with the accounting policies set out in, and is consistent with, the audited financial statements for the twelve months ended 31 December 2015. A copy of the statutory accounts for the period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

2. Going concern

The Directors are of the opinion that the financial information should be prepared on a going concern basis.

3. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted earnings/(loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted earnings/(loss) per share is based on the following figures.

	6 Months to 30 June 2016 GBP'000	6 Months to 30 June 2015 GBP'000	Year to 31 December 2015 GBP'000
Total profit/(loss) for the period	(139)	(316)	(811)
	Number	Number	Number
Weighted average number of shares – basic	4,756,941,670	3,490,566,557	4,030,228,807
Basic earnings/(loss) per shares	(0.003p)	(0.009p)	(0.020p)
Diluted earnings/(loss) per share	(0.003p)	(0.009p)	(0.020p)

4. Reports

Copies of this announcement will be available for members of the public at the Company's registered office: Finsgate, 5-7 Cranwood Street, London, EC1V 9EE.