

EQUATORIAL MINING AND EXPLORATION PLC

(“EME” OR THE “COMPANY”)

CHAIRMAN’S STATEMENT

Interim Results for the six months ended 30th June 2019

I am pleased to announce the Interim Results of the Company for the half-year ending 30th June 2019.

These accounts relate to the Company for the first half of 2019 and reflect a loss of £322,000 from administrative costs. This financial statement reflects the Company’s increased expenditure on overheads and legal and professional expenses primarily related to the acquisition of Eastinco Limited. EME did not consolidate any results from our Nigerian company, EME Mine Nigeria Limited into the Group accounts as we reduced our holding to less than a 50% stake in 2018 and subsequently put the operations on care and maintenance. We continue to review the available strategic options for the Nigerian investment to maximise the value to the Company and will make a final determination by year-end 2019 as to how best to proceed. Critically, the Company continues to work on the acquisition of Eastinco and the development of the mine site in Rwanda. Unfortunately this has meant that the financial results for the half year period display a continuing loss as the Company had no revenue and invested heavily in the necessary corporate, legal and professional costs to fund further development of the Kuaka mining joint venture operation of Eastinco.

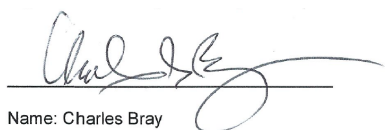
Half-Year Subsequent Events

The financial statements do not reflect the subsequent successful equity capital fund-raise of £1.804 million pounds sterling of gross equity capital, which occurred immediately following the end of first half-year period. The Company announced on the 1st of July 2019 that EME in respect of the acquisition of Eastinco Limited (“Eastinco”, a Rwandan mining and trading company announced on 3 June 2019), it received binding commitments totalling, in aggregate, £1,304,000, before expenses, in respect of a fundraising comprising a placing of 4,000,000,000 new ordinary shares of 0.01p at a price of 0.01p per share and the issue of £904,000 new loan notes mandatorily convertible into new Ordinary Shares at a conversion price of 0.01p per share. Further, the Company on the 8th of August confirmed that the Noteholders of the Convertible Loan Notes converted the whole of, the principal amount outstanding under the Notes into 9,040,000,000 new ordinary shares of 0.01p par value in the capital of the Company. Finally on the 7th of September EME announced gross equity capital fundraising of approximately £500,000 (before expenses) via a placing of 5,000,000,000 new ordinary shares of 0.01p each in the Company. Following the placings, the issued share capital as of 10 September 2019 increased to 30,124,849,507. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules.

Eastinco Update

Over the period, EME has supported Eastinco in its preparations to launch its joint-venture operations with the Kuaka Cooperative. Eastinco has secured a coltan wash plant from a Chinese supplier capable of processing 20 metric tonnes of material per hour. A significant portion of the wash plant has arrived in port and is en route to the Rwandan mine site, while the balance is being transported from China to Rwanda. The plant is anticipated to be fully operational and operating at full capacity by year-end 2019. Eastinco also secured heavy mining equipment (including a digger, excavator, compactor, trucks and other equipment) required to execute surface mining at the Kuaka site. Most importantly, Eastinco has made the necessary critical addition to its human resources to enable it to fully execute on the plans to improve productivity and safety.

To this end, Eastinco has established a joint venture subsidiary entity called Musasa Mining Limited (“Musasa”) which will be jointly owned with Kuaka Cooperative (“Kuaka”). As reported on 29 July 2019, the mining license due to be transferred from Kuaka to Musasa was delayed due to technical reasons and the Long-Stop date was extended to 30 September 2019. Given Kuaka has applied for a more technically onerous but more valuable large scale mining license, we have extended the SPA Long Stop Date to 31 December 2019. In the meantime, the Company is pleased to announce that Kuaka and Eastinco have agreed the terms of an Operating Agreement which will allow for the immediate implementation of operations on the same commercial terms as the joint-venture. Thus, the development program at the Kuaka mine site has progressed at pace with roads improved and geological site surveys, mapping and testing executed. Importantly, from 01 October, Eastinco is able to generate revenue from operations. We look forward to updating shareholders as to our progress over the next few months.



Name: Charles Bray
Title: Director

Executive Chairman
30 September 2019

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 2019

	6 Months to 30 June 2019	6 Months to 30 June 2018	Year to 31 December 2018
	GBP'000	GBP'000	GBP'000
Sales	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Administrative expenses	(322)	(151)	(140)
Provision against loan advanced to related party	-	-	-
Share-based compensation	-	-	-
Project Originations costs	-	(11)	(90)
Provision for impairment of investment	-	-	(2)
Profit/(loss) from operations	(322)	(162)	(232)
Investment income (expense)	-	-	-
Interest payable on loans	-	-	11
Profit/(loss) before taxation	(322)	(162)	(221)
Taxation	-	-	-
Profit/(loss) from continuing operations	(322)	(162)	(221)
Earnings/(loss) per share (note 3)			
Basic and diluted (pence)	(0.003)	(0.002)	(0.003)

EQUATORIAL MINING AND EXPLORATION PLC

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	6 Months to 30 June 2019 GBP'000	6 Months to 30 June 2018 GBP'000	Year to 31 December 2018 GBP'000
Profit/(loss) for the period	<u>(322)</u>	<u>(162)</u>	<u>(221)</u>
Total comprehensive income	<u>(322)</u>	<u>(162)</u>	<u>(221)</u>

EQUATORIAL MINING AND EXPLORATION PLC

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019

	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 2019	1,126	1,835	(4,328)	1,348	(133)	(152)
Total recognised income and expense for the period	-	-	(322)	-	-	(322)
Issue of new shares	82	-	-	-	-	82
Balance at 30 June 2019	1,208	1,835	(4,650)	1,348	(133)	(392)
Balance as at 1 January 2018	693	1,536	(4,092)	1,349	(133)	(647)
Total recognised income and expense for the period	-	-	(162)	-	-	(162)
Issue of new shares	69	-	-	-	-	69
Balance at 30 June 2018	762	1,536	(4,254)	1,349	(133)	(740)

EQUATORIAL MINING AND EXPLORATION PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	As at 30 June 2019 GBP'000	As at 30 June 2018 GBP'000	As at 31 December 2018 GBP'000
Assets			
Non-current assets			
Goodwill	-	2	-
Current assets			
Trade and other receivables	247	9	6
Cash and cash equivalents	47	53	-
	294	62	6
Total assets	294	64	6
Equity and liabilities			
Share capital	1,208	762	1,126
Investment in own shares	(133)	(133)	(133)
Share premium account	1,835	1,536	1,835
Share-based compensation reserve	1,348	1,349	1,348
Retained earnings	(4,650)	(4,254)	(4,328)
Total equity	(392)	(740)	(152)
Current liabilities			
Trade and other payables	686	764	158
Long term liabilities			
Convertible loan	-	40	-
Total equity and liabilities	294	64	6

EQUATORIAL MINING AND EXPLORATION PLC

UNAUDITED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED 30 JUNE 2019

	6 Months to 30 June 2019 GBP'000	6 Months to 30 June 2018 GBP'000	Year to 31 December 2018 GBP'000
Cash flows from operating activities			
Profit/(Loss) before income tax	(322)	(162)	(232)
Share-based compensation	-	-	(1)
Finance income (cost)	-	-	-
Amortization on investment	-	-	(2)
Operating cash flows before movement in working capital and provisions	(322)	(162)	(235)
(Increase)/decrease in trade and other receivables	(340)	(3)	17
(Decrease)/increase in trade and other payables	709	93	58
Net cash used in operating activities	47	(72)	(160)
Cash flows from investing activities			
Interest received	-	-	-
Interest paid	-	-	11
Investment in own issued share capital	-	-	-
Net cash generated from investing activities	-	-	11
Cash flows from financing activities			
Increase in shareholder loans	-	-	-
Issue of new shares	-	69	-
Issue of convertible loan notes	-	40	40
Conversion of convertible loan note	(82)	-	(40)
Net proceeds from issue of shares	82	-	149
Net cash generated from financing activities	-	109	149
Net Increase/(decrease) in cash and cash equivalents	47	37	-
Net cash and cash equivalents at beginning of period	-	16	-
Net cash and cash equivalents at end of period	47	53	-

EQUATORIAL MINING AND EXPLORATION PLC

NOTES TO THE ACCOUNTS FOR SIX MONTHS ENDED 30 JUNE 2019

1. Basis of preparation of interim report

The financial information for the period ended 30 June 2019 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 2018. 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 2019 GBP'000	6 Months to 30 June 2018 GBP'000	Year to 31 December 2018 GBP'000
Total profit/(loss) for the period	(322)	(162)	(221)
	Number	Number	Number
Weighted average number of shares – basic	11,715,650,612	7,142,441,000	8,758,247,619
Basic earnings/(loss) per shares	(0.003p)	(0.002p)	(0.003p)
Diluted earnings/(loss) per share	(0.003p)	(0.002p)	(0.003p)

4. Reports

A copy of this announcement will be mailed to shareholders and it is available on the company's website at www.equatorialmining.com