

EASTINCO MINING AND EXPLORATION PLC

(“EME” OR THE “COMPANY”)

CHAIRMAN’S STATEMENT

Interim Results for the six months ended 30th June 2021

I am pleased to announce the unaudited Interim Results of the Company for the half-year ending 30th June 2021.

These accounts relate to the Company for the first half of 2021 and reflect a loss of £252,000 from administrative costs, this corresponds to the Company’s expenditure on overheads, operational costs, legal and professional expenses primarily related to the Musasa JV operation in Rwanda. Over the period, management maintained its COVID-19 protocols for cash management and refrained from receiving salaries. We anticipate shortly the grant of Employee Benefit Trust options and/or shares to the management who have worked tirelessly over this period.

The Company received approximately £150,000 (or \$200,000) of share subscription for cash and services from the issue of 11,604,934 new ordinary shares and 11,604,934 3-pence warrants (expiring in August 2024) by a new shareholder, and two existing shareholders.

Eastinco Update

In January, the Company announces the advanced negotiation for an Offtake Agreement for the Musasa mine tantalum and tin production. The potential offtake partner is a wholly owned subsidiary of multi-national Noble Group Holdings. At the time of this announcement metal prices in Kigali were around \$110/kg, and now tantalum is commanding prices in excess of \$165/kg. We look forward to completing negotiations with the restart of operations.

During the reporting period the COVID-19 pandemic seriously impacted the potential for Musasa mine operations. Numerous positive modifications have been completed on the wash plant, however the workflow has been severely hampered and adversely effected by Government imposed restrictions and lockdowns as a result of the COVID-19 pandemic. We have re-designed the water reticulation system including the recycling of plant water and the management of the river dam. We have also installed a large capacity water pump, imported from the UK, to ensure stable and consistent flow rates. Towards the end of the half year period, we were able to bring in international based process and geological consultant engineers to provide further guidance on the Musasa operation. The focus continues to be on metallurgical test work on plant feed material and selective wash plant samples to build on the knowledge database. As a direct result we have ordered six new slurry pumps and arrival is pending. These pumps will improve material flow dramatically and provide for improved recoveries.

In May the Company, together with its partner on the Musasa Project the Kuaka Cooperative, submitted an application to covert the existing small-scale 50-hectare licence into a 400-hectare large-scale mining licence. As of today, this application is still pending.

In June, the Company announced a new Joint Venture project in southern Rwanda. The Agreement was concluded with a Rwandan entity to explore and develop mineral opportunities over an area covering 2,750 hectares, which the JV Partner holds a newly issued license for the exploration and development of tantalum, niobium, tin and tungsten metal resources. Under the terms of the Agreement, EME will incorporate a new JV Company in Rwanda and hold 70% of the issued share capital with the JV Partner holding 30% as a free-carried interest and entitled to Board representation on the new JV Company.

The licence area has encouraging elements of an existing pegmatite swarm, with two identified occurrences readily available for immediate geological prospecting and evaluation. This is highly promising. The known pegmatites form an encouraging exploration target with considerable upside exploration potential if the tantalum grade

distribution along the strike and depth extensions can be proven. If so, then EME's landholding in southern Rwanda will comprise a significant new pegmatite field in Rwanda.

Currently the operations in-country have unfortunately been suspended until the COVID restrictions are lifted, and free movement of staff is allowed, and also pending the additional wash plant equipment deliveries.

In February 2021, Mr. Simon Rollason was appointed as a director of the Company and Mr. Michael Staten stepped down as director of the Company.

Charles Bray
Executive Chairman

09 September 2021

Enquiries:

Eastinco Mining & Exploration Plc: Charles Bray, Executive Chairman	charles.bray@eme-plc.com
AQSE Growth Market Corporate Adviser: Novum Securities Limited David Coffman / Lucy Bowden	Tel: +44 (0)207 399 9400

The Directors take responsibility for this announcement.

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	6 months to 30-Jun-21 £'000	6 months to 30-Jun-20 £'000	Year to 31-Dec-20 £'000
Total revenue			
Sales	-	6	-
Other revenue	-	26	44
Cost of sales	-	-	-
	-	32	44
Administrative expenses	(175)	(209)	(308)
Provision against loan advanced to related party	(68)	(68)	-
Net gain on investment property	(243)	(277)	(308)
Total operating profit/(loss)	(243)	(245)	(264)
Interest payable and similar charges	(9)	(8)	(17)
Loss before tax	(252)	(253)	(281)
Tax expense	-	-	-
Loss after tax	(252)	(253)	(281)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Gain on translation of foreign operations	(85)	(13)	(186)
	(337)	(266)	(467)
Loss per share			
Basic and Diluted loss per share (pences)	(0.06)	(0.07)	(0.07)

* Comparative weighted average number of shares is adjusted for the impact of the share consolidation

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Share capital £'000	Share premium £'000	Share-based compensation reserve £'000	Interest in shares in EBT £'000	Translation reserve £'000	Other Reserve £'000	Merger relief reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2020	3,613	1,835	1,348	(133)	-	97	1,200	(5,254)	2,612
Loss for the year	-	-	-	-	-	-	-	(253)	(253)
Other comprehensive loss	-	-	-	-	(13)	-	-	-	(13)
Transactions with owners									
Other reserve	-	-	-	-	-	-	-	-	-
Transfer from other reserve to accumulated losses	-	-	-	-	-	(8)	-	8	-
Share based compensation	-	-	-	-	-	-	-	-	-
Exercise of warrants	-	-	-	-	-	-	-	-	-
Conversion of unsecured loan note	-	-	-	-	-	-	-	-	-
Issue of new shares	196	73	-	-	-	-	-	-	269
At 30 June 2020	3,809	1,908	1,348	(133)	(13)	89	1,200	(5,499)	2,615
At 1 January 2021	4,301	2,144	1,348	(133)	(291)	80	1,200	(5,326)	3,323
Loss for the year	-	-	-	-	-	-	-	(252)	(252)
Other comprehensive loss	-	-	-	-	(85)	-	-	-	(85)
Transactions with owners									
Other reserve	-	-	-	-	-	-	-	-	-
Transfer from other reserve to accumulated losses	-	-	-	-	-	(9)	-	9	-
Share based compensation	-	-	-	-	-	-	-	-	-
Exercise of warrants	-	-	-	-	-	-	-	-	-
Conversion of unsecured loan note	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-

At 30 June 2021	4,301	2,144	1,348	(133)	(376)	71	1,200	(5,569)	2,986
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EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		
	30-Jun-21 £'000	30-Jun-20	31-Dec-20 £'000
Non-current assets			
Goodwill	2,168	2,263	2,168
Property, plant and equipment	975	498	1,038
Total non-current assets	3,143	2,761	3,206
Current assets			
Trade and other receivables	148	193	394
Cash and cash equivalents	68	173	52
Total current assets	216	366	446
Total assets	3,359	3,127	3,652
Equity and liabilities			
Share capital	4,301	3,809	4,301
Share premium	2,144	1,908	2,144
Share based compensation reserve	1,348	1,348	1,348
Interest in shares in EBT	(133)	(133)	(133)
Translation reserve	(376)	(13)	(291)
Accumulated losses	(5,569)	(5,499)	(5,326)
Other reserves	71	89	80
Merger relief reserve	1,200	1,200	1,200
Total equity	2,986	2,709	3,323
Current liabilities			
Trade and other payables	145	207	110
Total current liabilities	145	207	110
Non-current liabilities			
Loan notes	228	211	219
Total non-current liabilities	228	211	219
Total Equity and liabilities	3,359	3,127	3,652

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		
	6 months to	6 months to	Year to
	30-Jun-21 £'000	30-Jun-20 £'000	31-Dec-20 £'000
Cash flow from operating activities			
Profit/(loss) before tax	(144)	(253)	(281)
<u>Adjustments for:</u>			
Depreciation	-	-	23
Interest expense	9	8	17
Provisions against loans	-108	68	-
Foreign exchange (gains)/losses	-	-	(74)
Operating profit/(loss) before working capital changes	(243)	(177)	(315)
<u>Changes in working capital:</u>			
Increase in trade & other receivables	304	(60)	(129)
Increase in trade & other payables	81	34	(84)
Cash generated from operations	385	(26)	(213)
Net cash flow from operating activities	142	(203)	(528)
Cash flow from investing activities			
Purchase of property, plant and equipment	(15)	(89)	(431)
Acquisition of subsidiary	-	-	-
Funds advanced to subsidiary pre acquisition	(228)	-	-
Net cash from from investing activities	(243)	(89)	(431)
Cash flow from financing activities			
Exercise of warrants	117	219	-
Amounts advanced from parent	-	-	-
Conversion of convertible loan note	-	-	-
Net proceeds from issue of shares	-	-	767
Net cash flow from financing activities	117	219	767
Net increase/(decrease) in cash & cash equivalents	16	(73)	(192)
Cash & cash equivalents at beginning of the period	53	246	246
Effect of exchange rate movements on cash	(1)	-	(2)
Cash & cash equivalents at end of the period	68	173	52

EASTINCO MINING AND EXPLORATION PLC

NOTES TO THE ACCOUNTS FOR SIX MONTHS ENDED 30 JUNE 2021

1. Basis of preparation of interim report

The financial information for the period ended 30 June 2021 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 consolidated financial statements for the twelve months ended 31 December 2020. 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. Loss per share

Basic 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 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 loss per share is based on the following figures.

	6 Months to 30 June 2021 GBP'000	6 Months to 30 June 2020 GBP'000	Year to 31 December 2020 GBP'000
Total loss for the period	(252)	(253)	(281)
	Number	Number	Number
Consolidated weighted average number of shares – basic	430,069,273	364,278,319	393,879,187
Basic loss per shares	(0.06p)	(0.07p)	(0.07p)
Diluted loss per share	(0.06p)	(0.07p)	(0.07p)

4. Reports

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