MINCO plc

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – prepared by management

For the six month period ended 30 June 2016

(Expressed in $000's)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MINCO plc

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MINCO PLC

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016
Unaudited - prepared by management

Expressed in US$000's	Notes	30 June 2016 (unaudited)	31 December 2015 (audited)
Assets		$	$
Non-current assets			
Exploration and evaluation assets	**10**	13,260	12,341
Notes receivable	**11**	468	457
Prepaid expenses and other non-current assets		10	9
Total non-current assets		13,738	12,807
Current assets			
Trade and other receivables	**12**	79	168
Cash and cash equivalents	**13**	3,313	3,974
Total current assets		3,392	4,142
Total assets		17,130	16,949
Equity and liabilities			
Capital and reserves			
Share capital	**15**	9,767	9,767
Share premium		29,790	29,790
Capital conversion reserve fund		39	39
Foreign currency translation reserve		(2,255)	(3,030)
Share-based payment reserve	**16**	336	336
Retained deficit		(20,980)	(20,467)
Total equity		16,697	16,435
Current liabilities			
Trade and other payables	**14**	419	514
Income taxes payable		14	-
Total current liabilities		433	514
Total equity and liabilities		17,130	16,949

COMMITMENTS AND CONTINGENCIES (Notes 10, 18)

The financial statements were approved by the Board of Directors on 29 August 2016 and signed on its behalf by:

Signed "John F. Kearney" , Director Signed "Danesh K. Varma" , Director

See accompanying notes to the condensed interim consolidated financial statements

MINCO PLC

CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

For the three and six month periods ended 30 June 2016

Unaudited - prepared by management

Expressed in US$000's, except for per share amounts	Notes	30 June 2016	30 June 2015	30 June 2016	30 June 2015
		$	$	$	$
Continuing operations					
General and administrative expenses		(147)	(294)	(429)	(497)
Foreign exchange gain/(loss)		60	(115)	(98)	550
Operating profit/(loss)		(87)	(409)	(527)	53
Finance income		14	13	28	33
Loss before and after taxation		(73)	(396)	(499)	86
Income tax		(14)	(7)	(14)	(7)
Group profit/(loss) for the period		(87)	(403)	(513)	79
Other Comprehensive Income					
Exchange differences on translation of foreign operations		(227)	(754)	775	(1,419)
Total comprehensive profit/(loss) for the period		(314)	(1,157)	262	(1,340)
		US Cents per share	**US Cents per share**	**US Cents per share**	**US Cents per share**
Earnings/(loss) per share					
Basic	**9**	(0.02)	(0.08)	(0.11)	0.02
Diluted	**9**	(0.02)	(0.08)	(0.11)	0.02

See accompanying notes to the condensed interim consolidated financial statements

MINCO PLC

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2016

Unaudited - prepared by management

Expressed in US$000's	Share Capital $	Share Premium $	Capital Conversion Reserve Fund $	Foreign Currency Translation Reserve $	Share based payment Reserve $	Retained Deficit $	Total $
Balance as at 1 January 2015	**9,767**	**29,790**	**39**	**(516)**	**399**	**(20,412)**	**19,067**
Share-based payments terminated	-	-	-	-	(58)	58	-
Total comprehensive loss for period	-	-	-	(1,419)	-	79	(1,340)
Balance as at 30 June 2015	**9,767**	**29,790**	**39**	**(1,935)**	**341**	**(20,275)**	**17,727**
Share-based payments expired	-	-	-	-	(5)	5	-
Total comprehensive loss for period	-	-	-	(1,095)	-	(197)	(1,292)
Balance as at 31 December 2015	**9,767**	**29,790**	**39**	**(3,030)**	**336**	**(20,467)**	**16,435**
Total comprehensive profit for period	-	-	-	775	-	(513)	262
Balance as at 30 June 2016	**9,767**	**29,790**	**39**	**(2,255)**	**336**	**(20,980)**	**16,697**

Share Capital

The share capital is comprised of share capital issued for cash and non-cash considerations.

Share premium reserve

The share premium reserve is comprised of the excess of monies received in respect of share capital over the nominal value of shares issued less cost of issue.

Capital conversion reserve fund

The ordinary shares of the company were renominalised from €0.0126774 each in 2002 and the amount by which the issued share capital of the company was reduced was transferred to the capital conversion reserve fund.

Foreign currency translation reserve

Exchange differences arising on the re-translation of monetary items are included in the statement of comprehensive income for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Income statement items have been re-translated at the average rate for the period and balance sheet items re-translated at the rate prevailing at the balance sheet date.

Share-based payment reserve

The share-based payment reserve represents the amount expensed to income statement of share based payments granted which are not yet exercised and issued as shares.

Retained losses

Retained losses comprise accumulated profit and loss in the current and prior years.

See accompanying notes to the condensed interim consolidated financial statements

MINCO PLC

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the six month period ended 30 June 2016

Unaudited - prepared by management

Expressed in US$000's		30 June 2016	30 June 2015
		$	**$**
Cash flow from operating activities			
Loss for the period		**(513)**	79
Currency translation movements		**108**	(497)
Interest income		**(28)**	(33)
		(433)	(451)
Movements in working capital			
(Decrease)/Increase in trade and other receivables		**89**	(12)
Increase in trade and other payables		**(81)**	64
Net cash used in operating activities		**(425)**	(399)
Cash flows from investing activities			
Interest income		**28**	33
Investment in financial assets		**-**	(15)
Investment in intangible assets		**(264)**	(605)
Net cash used in investing activities		**(236)**	(587)
Net decrease in cash and cash equivalents		**(661)**	(986)
Translation adjustment		**-**	(12)
Cash and cash equivalents at the beginning of the period		**3,974**	5,901
Cash and cash equivalent at the end of the period	**13**	**3,313**	4,903

See accompanying notes to the condensed interim consolidated financial statement

1. NATURE OF OPERATIONS

Minco plc (the "Company" or "Minco") and its subsidiaries and associate (collectively the "Group") have interests in exploration and evaluation properties located in Ireland, Canada, the United Kingdom, and Mexico. Substantially all efforts are devoted to financing and developing these properties. There has been no determination whether these interests in exploration and evaluation properties contain mineral reserves which are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programmes will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and continued existence of the Company/Group is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability to raise additional financing, if necessary, or alternatively upon the ability to dispose of property interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values. Exploration and evaluation assets are subject to the risks of investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Although steps have been taken to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Properties may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and regulatory and environmental requirements.

Basis of measurement and going concern

The Company is in the process of exploring its exploration and evaluation properties and has not yet determined whether its exploration and evaluation properties contain economically recoverable mineral reserves. The underlying value and the recoverability of the exploration and evaluation properties is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the exploration and evaluation properties, and the generation of future profitable production or proceeds from the disposition of the exploration and evaluation properties.

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the Group and finance for the development of the Group's projects becoming available. Based on the assumptions that such finance will become available, the Directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the assets, in particular the exploration and evaluation assets, to their realisable values. Such adjustments could be material.

For the nine months ended 30 June 2016, the Company recorded a loss of $513,000 and, at that date, had positive cash balances of $3,313,000. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2015 prepared in accordance with IFRS.

2. BASIS OF PREPARATION (CONTINUED)

These condensed consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information. These condensed interim financial statements are presented in US Dollars, rounded to the nearest thousand (US$'000) except where otherwise indicated.

3. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of consolidation

The condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All material intra-Company transactions, balances, income and expenses are eliminated on consolidation.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual report that are relevant to these condensed interim financial statements will be finalized only when the annual IFRS financial statements are prepared for the year ending 31 December 2016. The accounting policies chosen by the Company have been applied consistently to all periods presented.

(b) Accounting Changes

The Company did not adopt any new International Financial Reporting Standards (IFRSs) or Interpretations in the period that had a material impact on the Company's Financial Statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS Standards issued but not yet effective:

IFRS 9	Financial Instruments
IFRS 11	Joint arrangements
IAS 1	Presentation of Financial Statements
IAS 12	Income taxes
IAS 27	Separate Financial Statements
IAS 38 & IAS 16	Intangible Assets

The Company has not yet determined the impact of these amendments on its financial statements.

Expressed in US$000's

4. EMPLOYEE INFORMATION

	30 June 2016 Number of employees	30 June 2015 Number of employees
Directors, management and administration	7	10
Operatives	4	6
	11	17
Staff costs for the above persons:	**$**	$
Wages and salaries	272	360
Social security costs	17	25
	289	385
Capitalised as exploration and evaluation assets	224	253
Charged to the statement of comprehensive income	65	132
	289	385

5. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

The remuneration of Directors, who are the key management personnel of the Company, is set out below in accordance with IAS 24 'Related Party Disclosures'.

Directors' Remuneration	**Salaries in cash $**	**Fees in cash $**	**Options $**	**Total 2016 $**	Salaries in cash **$**	Fees in cash **$**	Options **$**	Total 2015 **$**
John Kearney	-	-	-	-	-	-	-	-
Terence McKillen	-	-	-	-	-	-	-	-
Danesh Varma	19	-	-	19	37	-	-	37
Patrick D. Downey	-	-	-	-	-	-	-	-
Rowan N. Maule	-	-	-	-	-	27	-	27
Peter McParland	-	-	-	-	-	-	-	-
Michael Power	-	-	-	-	-	-	-	-
Warren MacLeod	79	-	-	79	85	-	-	85
Total	98	-	-	98	122	27	-	149

No fees were paid by the Group to directors for their services as directors of the Company in the six months ended 30 June 2016 or 2015.

No salaries were paid by the Company to any Directors of the Company in the six month periods ended 30 June 2016 or 30 June 2015, other than to Danesh Varma, Finance Director and Secretary of the Company was paid an amount $19 (2015 – $37), and Warren MacLeod, President of Buchans Minerals Corp., was paid an amount of Cdn$17.5 per month, or $79 (2015 – $85).

Expressed in US$000's

5. RELATED PARTY TRANSACTIONS (CONTINUED)

The subsidiaries of the Company at 30 June 2016 were as follows:

Name of Company	Registered office	Effective Holding	Principal Activity
Buchans Resources Limited	55 University Ave, Suite 1805, Toronto, ON M5J 2H7, Canada	100%	Investment
Minco Ireland Limited	162 Clontarf Road, Dublin 3, Ireland	100%	Exploration
Westland Exploration Limited	162 Clontarf Road, Dublin 3, Ireland	100%	Exploration
Norsub Limited	1 Le Marchant Street St. Peter Port, Guernsey, GY1 4HP	100%	Investment
Minco Mining Limited	Painters' Hall Chambers,	100%	Exploration
Zacatecas Exploration Limited	9 Little Trinity Lane, London EC4V 2AN	100%	Management
Centrerock Mining Limited	55 University Ave, Suite 1805, Toronto, ON M5J 2H7, Canada	100%	Exploration
Buchans Minerals Corporation	55 University Ave, Suite 1805,	100%	Exploration
Canadian Manganese Company Inc.	Toronto, ON	100%	Exploration
7980736 Canada Inc.	M5J 2H7, Canada	100%	Exploration

6. SEGMENTAL ANALYSIS

Segment Result	**Segment result**	
	30 June 2016	30 June 2015
	$	$
Continuing Operations		
Ireland	**(202)**	(223)
Canada	**(144)**	(132)
U.K.	**(69)**	(116)
Total for continuing operations	**(415)**	(471)
Foreign exchange	**(98)**	550
Loss for the period	**(513)**	79
Consolidated loss	**(513)**	79

There was no revenue from operations earned during the period.

Segment assets and liabilities	**Assets**		**Liabilities**	
	30 June 2016	31 December 2015	**30 June 2016**	31 December 2015
	$	$	**$**	$
Ireland	**821**	767	**(323)**	(381)
Canada	**10,275**	9,283	**(39)**	(67)
U.K.	**2,252**	2,468	**(71)**	(66)
Mexico (investment in associate)	**469**	457	**-**	-
	13,817	12,975	**(433)**	(514)
Cash and cash equivalents	**3,313**	3,974	**-**	-
Consolidated	**17,130**	16,949	**(433)**	(514)

Expressed in US$000's

6. SEGMENTAL ANALYSIS

	Additions to non-current assets	
	30 June 2016	30 June 2015
	$	$
Ireland	**17**	9
Canada	**230**	423
U.K.	**17**	166
	264	598

7. OPERATING GAIN / (LOSS)

Operating profit/(loss) is stated after charging/(crediting) the following items:	**30 June 2016**	30 June 2015
	$	$
General and administrative expenses of the Group comprise:		
Professional fees including audit and legal	(205)	(175)
Company Directors' remuneration expense	(43)	(63)
Office expenses	(89)	(141)
Investor and public relations	(59)	(67)
Sundry expense	(33)	(51)
	(429)	(497)
Foreign exchange (loss) gain	(98)	550
Operating profit/(loss) before taxes	(527)	53

8. FINANCE INCOME

	30 June 2016	30 June 2015
	$	$
Interest income	28	33

9. EARNINGS / (LOSS) PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the period available to ordinary shareholders by the sum of the weighted average number of ordinary shares in issue and ranking for dividend during the period. Diluted loss per share is computed by dividing the loss after taxation for the period by the weighted average number of ordinary shares in issue, adjusted for the effect of all potential dilutive ordinary shares that were outstanding during the period. Basic and diluted losses per share are the same, as the effect of the outstanding share options is anti-dilutive, and is therefore excluded. The computation for basic and diluted loss per share is as follows:

	30 June 2016	30 June 2015
	$	$
Numerator		
Earnings/(loss) for the period	(513)	79
	30 June 2016	30 June 2015
Denominator	**No. of Shares**	No. of Shares
Weighted average number of shares - basic	478,142,184	478,142,184
Weighted average number of shares - diluted	478,142,184	478,142,184
Basic earnings/(loss) per share (US cents per share)	(0.11)	0.02
Diluted earnings/(loss) per share (US cents per share)	(0.11)	0.02

Expressed in US$000's

10. INTANGIBLE ASSETS

	30 June 2016	Foreign Exchange	Additions	31 December 2015	Foreign Exchange	Additions	31 December 2014
	$	$	$	$	$	$	$
Ireland	768	15	17	736	(82)	18	800
Woodstock	3,353	100	67	3,186	(598)	167	3,617
Buchans	6,372	733	159	5,480	(993)	635	5,838
Bobbys Pond	530	42	4	484	(94)	41	537
Pennines	2,237	(235)	17	2,455	(124)	195	2,384
Total	13,260	655	264	12,341	(1,891)	1,056	13,176

All exploration and evaluation assets are carried at cost less any applicable impairment provision. The Directors reviewed the exploration and evaluation assets at 30 June 2016 and are satisfied that the fair value is not less than the carrying amount and that the exploration projects have potential to achieve mine production and positive cash flows. No impairment provision has been recognised.

Exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company/Group believe its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. The Group's activities are also subject to a number of significant potential risks, see Note 2(o) of the audited financial statements for the year ended 31 December 2015.

The realisation of the exploration and evaluation assets is dependent on the successful development of economic resources, including the ability to raise finance to develop the projects. Should this prove unsuccessful the value included in the balance sheet would be written off. The Directors are aware that by its nature there is an inherent uncertainty in such expenditure as to the value of the asset.

Ireland
Minco holds a 20% interest in Prospecting License 1440R in Tatestown, Ireland, the subject of a joint venture between Westland Exploration Ltd. (100% Minco subsidiary) and Tara-Boliden Mines Limited. The Company, through its wholly owned subsidiary Minco Ireland Limited, has been granted three Prospecting Licenses, 1228, 1229 and 3981, in County Westmeath, Ireland. The Company also holds a 2% net smelter royalty on the Curraghinalt gold deposit in Northern Ireland.

Pennines - UK
The Company has entered into various agreements, licences and options with certain owners of mineral rights in the North Pennine Orefield located in the counties of Cumbria, Northumberland and Durham in northern England.

The Company, through its wholly owned subsidiary Minco Mining Limited, entered into an Option Agreement with the Crown Commissioners on behalf of the Crown Estates pursuant to which, in consideration of the payment of an option fee of £5,000, the Company was granted the option to take a lease of Crown Minerals, subject to having obtained planning permission, on any part of the option area which covers approximately 20,000 hectares in Northumberland and County Durham. The Lease would be subject to an annual rent of £20,000 pounds sterling and subject to a royalty of 4% of the Net Realisable Value of gold or silver mined from the area.

The Company, through its wholly owned subsidiary Minco Mining Limited, entered into Heads of Terms for a Prospecting Licence and Option Agreement to take a Lease with the Church Commissioners for England on Demised Minerals, (including lead, zinc, pyrite, copper, fluorspar, bartyes and associated any intermingled minerals) owned by the Church Commissioners at West Weardale in County Durham subject to the rights of the surface owners. The Option is for a period of five years, subject to the payment of an option fee of £7,000 per year, and may be extended for a further period of five years. The Lease would be subject to planning permission and subject to an annual rent of £25,000 and a royalty of 2.5% of the Net Smelter Return earned on the Demised Minerals.

10. INTANGIBLE ASSETS (CONTINUED)

The Company, through its wholly owned subsidiary Minco Mining Limited, has been granted mineral exploration licences or permissions by the Trustees of the Allendale Settled Estates in Northumberland and by the Trustees for Roman Catholic Purposes on the Alston Estate in Cumbria. Under these mineral exploration licences the Company was granted the right to explore and test for minerals, subject to the rights of the surface owners, for various terms. The Company expects, subject to the registration of ownership of mineral rights, to enter into Option Agreements to take Mineral Leases with the Allendale Estate in Northumberland and with the Alston Estate in Cumbria which are expected to be on similar terms to the Option Agreement with the Church Commissioners in Durham.

The Company is currently negotiating extensions or amendments to certain of the exploration licences and option agreements, and expects to conclude the various Option Agreements in due course. If the proposed Option Agreements cannot be concluded on acceptable terms, impairment may be recorded.

Woodstock – Canada
The Company, through its wholly-owned subsidiary Canadian Manganese Corp., holds a 100% interest in the Woodstock project located northwest of the town of Woodstock, New Brunswick. A portion of the project is subject to a 1% gross sales royalty upon commencement of commercial production, with the Company retaining certain rights to buy back one half of the royalty.

Buchans – Canada
Buchans is located in central Newfoundland and covers the former producing Buchans Mine and the Company's undeveloped Lundberg deposit. Certain of the claims and portions thereof are subject to net smelter royalties ranging from 1% to 3%, certain of which are subject to buy-back agreements. The Company, through its wholly-owned subsidiary, was granted two mining leases during 2013 each with a 25 year term, which require total annual lease payments of Cdn$154,500.

The Tulks North project is 100% owned by the Company, through its wholly-owned subsidiary, and is located in the Victoria Lake Mining district of west-central Newfoundland. The Tulks North project includes the Daniels Pond deposit which is subject to a 1.5% net smelter royalty, and the adjacent Bobbys Pond deposit which is subject to a 1% net smelter return royalty and a 2% net smelter royalty

The Company, through its wholly-owned subsidiary Buchans Minerals Corp., has a 49% interest in the Tulks Hill project in central Newfoundland which is held under a joint exploration agreement with Prominex Resource Corp. which is the project operator. The property is subject to a 2% net smelter royalty.

The Long Range project is under a 50/50 joint exploration agreement with Benton Resources Inc. ("Benton") and is located in central Newfoundland and Labrador. The Company, through its wholly-owned subsidiary, is the project operator. Benton elected to not participate in certain work programmes on the Long Range Property and Benton is subject to dilution. The property is subject to net smelter royalties of up to 2% of which 1% can be purchased for $1.0 million.

Expressed in US$000's

11. INVESTMENT IN ASSOCIATE

The value of the Group's share of net assets of Xtierra Inc. shown above is $nil as a result of the Company's accounting policy. The fair value of the investment in Xtierra as at 29 August 2016 based on market price of Xtierra shares on the Toronto Stock Exchange was $1,500.

In December 2013, the Company agreed to provide working capital financing to Xtierra, and agreed to purchase $250 principal amount of 5% working capital notes due March 31, 2014. In April 2014, the Company agreed to provide a further working capital advance to Xtierra of $125 which together with the $254 working capital Notes, including $4 interest, were rolled into new non-convertible 5% secured notes (total $379) due April 30, 2015, secured, pari-passu with Pacific Road Group of Funds (another significant shareholder of Xtierra), by a pledge by Xtierra of its shares of Orca Minerals Limited.

On April 29, 2015, Pacific Road and Minco plc, both agreed to extend the due dates of the non-convertible 5% secured notes in the amount of $965 from April 30, 2015 to August 31, 2015, and to provide further advances up to $15 each. On August 24, 2015, Pacific Road and Minco both agreed to further extend the due dates of the Notes from August 31, 2015 to January 31, 2016 and to provide further advances of up to $17.5 each to fund Xtierra's property maintenance costs and working capital. Xtierra agreed to a fee of $29 to obtain the extension, which amount was added to the principal amount of the Notes. On January 31, 2016, Pacific Road and Minco both agreed to an extension of the maturity dates of the secured notes to April 30, 2016. The purpose of the various extensions of the maturity dates of the secured notes was to provide Xtierra additional time to assess its strategic alternatives.

The Notes matured and became due and payable on April 30, 2016. Pacific Road and Minco have not made demands for payment and are discussing possible solutions with Xtierra on a without prejudice basis. Xtierra has made certain settlement or restructuring proposals to each of Pacific Road and Minco. Pacific Road has advised Xtierra that Pacific Road desires to see this process come to a conclusion in the near term and, in the absence of an acceptable outcome, Pacific Road reserves all its rights to demand repayment of the Notes and if necessary to initiate foreclosure actions. On July 26, 2016, the Company made a further advance in the amount of $50 to fund Xtierra's working capital and maintain its mineral properties.

The Notes are secured by the pledge by Xtierra of the shares of its wholly owned subsidiary Orca Minerals Limited, which indirectly holds Xtierra's Mexican assets. The security includes various standard provisions, including the right of the lenders to enforce their security in an event of default, including default in payment on the notes when due, which enforcement remedies include foreclosure against the pledged shares of Orca Minerals Limited

12. RECEIVABLES AND OTHER

	30 June 2016 $	31 December 2015 $
Trade receivables and prepayments	**56**	80
Sales taxes receivable	**23**	88
Receivable from subsidiaries	**-**	-
	79	168

The carrying value of the receivables approximates to their fair value. In the opinion of Directors the amounts above are considered to be fully recoverable.

Expressed in US$000's

13. CASH AND CASH EQUIVALENTS

	30 June 2016 $	31 December 2015 $
Cash	**494**	440
Cash equivalents	**2,819**	3,534
Immediately available without restriction	**3,313**	3,974

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of investment. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates at floating rates.

The currency profile of cash and cash equivalents at the end of the period was as follows:

	30 June 2016 $	31 December 2015 $
Euro	**61**	61
US Dollars	**3,081**	3,785
Canadian Dollars	**145**	93
Sterling	**26**	35
	3,313	3,974

14. TRADE AND OTHER PAYABLES

	30 June 2016 $	31 December 2015 $
Trade creditors and accruals	**214**	328
Amounts due to related parties	**219**	212
	433	540

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the Group's policy that payment is made as they fall due. The carrying value of the trade creditors and accruals approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The amounts due to related parties are due on demand, unsecured and non-interest bearing.

Expressed in US$000's

15. SHARE CAPITAL

	Ordinary shares of €0.0125 each		Deferred shares of €0.0625 each		Total
	Number '000	Nominal value '000	Number '000	Nominal value '000	Nominal value '000
Authorised share capital					
At 30 June 2016	700,000	€ 8,750	38,000	€ 2,375	€ 11,125
At 1 January 2016 and 30 June 2016	**700,000**	**€ 8,750**	**38,000**	**€ 2,375**	**€ 11,125**
Issued share capital					
At 1 January 2016 and 30 June 2016	**478,142**	**US$7,761**	**38,000**	**US$2,106**	**US$9,767**

16. SHARE-BASED PAYMENTS

Equity-settled share options

The board of directors has granted share options to directors, officers, employees, consultants and service providers who perform ongoing services for the Group. The purpose of the options is to attract, retain and motivate these parties by providing them with the opportunity to acquire a proprietary interest in the Company and to benefit from its growth. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors at the market price of the shares at the time of grant, subject to all applicable regulatory requirements. Options are forfeited if the optionee ceases to be associated with the Company before the options vest.

As at 30 June 2016, the Company had the following outstanding share options:

	30 June 2016 **Number of share options**	**Weighted average exercise price (in Stg pence)**	31 December 2015 Number of share options	Weighted average exercise price (in Stg pence)
Outstanding at beginning of the year	12,714,530	5.39	16,745,410	5.97
Changes during the period:				
Expired	-	7.80	(4,030,880)	7.80
Outstanding at end of the period	12,714,530	5.39	12,714,530	5.39
Exercisable at the end of the period	12,714,530	5.39	12,714,530	5.39

Share Options transactions for the respective periods were as follows:

	Number of Options Granted and Exercisable at 30 June 2016	Share-based Payment Reserve	Exercise Price	Expiry Date
		$'000		
	2,994,250	46	£0.078	19 December 2016
	804,524	13	£0.078	21 June 2017
	8,250,000	267	£0.050	20 December 2017
	665,756	10	£0.078	07 January 2018
Total	12,714,530	336		

The options outstanding at 30 June 2016 had a weighted average exercise price of £0.0539, and a weighted average remaining contractual life of 1.2 years.

Expressed in US$000's

17. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash balances and various items such as trade receivables and trade payables which arise directly from trading operations. The Group also enters into derivative transactions, primarily warrants and convertible notes. The main purpose of these financial instruments is to provide working capital to finance Group operations. The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group's cash balances are held in Euro, Sterling, US and Canadian Dollars.

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and a monthly review of expenditure. The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures regularly and may consider the use of currency hedges in the future.

Interest rate risk
The Group finances its operations through the issue of equity shares, and has no fixed interest rate agreements. The Group had $3,313,000 in cash and cash equivalents at 30 June 2016. A one percent change in interest rates will result in a corresponding change in interest income of approximately $33,130 based on cash equivalent balances existing at 30 June 2016.

Liquidity risk
The Group's liquidity exposure is confined to meeting obligations under short term trade creditor agreements. This exposure is financed from a combination of cash, additional issues of ordinary equity shares and other financing arrangements.

Capital management
The primary objective of the Group's capital management is to ensure that it maintains an adequate capital ratio in order to support its business and enhance shareholder value. The capital structure of the Group consists of issued share capital and reserves. The Group manages its structure and makes adjustments to it, in light of the changes in economic conditions. No changes were made in the objectives, policies or processes during the period ended 30 June 2016. The Group's only capital requirement is its authorised minimum capital as a plc.

Foreign currency risk
Although the Company is incorporated in Ireland, the Group has significant operations in UK, Canada and Mexico, none of which presently generate cash from operations, and holds cash investments in Euros, Sterling, Canadian or US Dollars. The functional currencies of the majority of the Group's operations are UK Sterling, the Euro and the Canadian Dollar; the reporting currency of the Group is the US Dollar. However, the expenditure is not considered to be a monetary asset, and has been translated to the functional currency at the rates of exchange ruling at the dates of the original transactions. The Group also has transactional currency exposures. Such exposures arise from expenses incurred by the Group in currencies other than the functional currency.

The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates. The Group does not presently utilise swaps or forward contracts to manage its currency exposures, although such facilities may be used where appropriate in the future. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are set out below. The net currency exposure of the gross monetary assets of the Group was as follows:

Date	**Sterling**	**US$**	**Canadian**	**Euro**	**Total**
	$	$	$	$	$
30 June 2016	(30)	3,081	116	(180)	2,987
31 December 2015	(17)	3,785	150	(231)	3,687

17. FINANCIAL INSTRUMENTS (CONTINUED)

The impact of foreign currencies has been determined based on the balances of financial assets and liabilities at 30 June 2016. The sensitivity analysis includes outstanding foreign currency denominated monetary items and largely results from payables and receivables, and adjusts their translation at the period end for a 5% change in foreign currency rates. A five percent change in the US Dollar exchange rate could result in a foreign exchange impact to the net income of approximately $154,000 based on monetary assets and liability balances existing at 30 June 2016.

Credit risk
With respect to credit risk arising from financial assets of the Group, which comprise of cash and cash equivalents. Cash deposits give risk to credit risks on the amounts due from counter-parties. The Company controls and monitors the distribution of this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions and that exposure to credit risk is distributed across a number of institutions. At 30 June 2016 all cash, short term deposits had a maturity date of 30 days or less. Credit risk is actively managed across the portfolio of institutions by ensuring that material surplus funds are placed with counter-parties that are either covered by Government guarantee schemes or have a credit rating of at least BBB-.

18. LEGAL PROCEEDINGS

In November 2013, the Company and two of its directors, Terence McKillen and Danesh Varma, were served with a Claim in the English High Court of Justice, Chancery Division, by John Bennington Sears of Maidenhead, England and Sippdeal Trustees Limited of Chester Road, Manchester, England claiming damages for alleged misrepresentation. Sears alleged that he caused shares in the Company to be purchased or retained for his benefit induced by alleged misrepresentations made by the Company and the two directors about the terms of the Joint Venture Agreement between the Company and Xstrata regarding the Pallas Green project near Limerick Ireland. The Company sold its interest in the Pallas Green project to Xstrata in 2011. In July 2015, following an application made by the Company, the High Court struck out three of the four claims of misrepresentation made by Sears and awarded costs of the Motion to the Company. The trial of the fourth remaining claim, as amended, was heard over a period of ten days in the High Court of Justice, Chancery Division, London, in January 2016. In a Judgement delivered on March 4, 2016 the Claim against the Company and the two directors was dismissed by the High Court and in a subsequent decision the Court awarded costs of the case to the Company and the directors and denied Sears' application for leave to appeal. On May 17, 2016, Sears filed an application with the Court of Appeal seeking permission to appeal the judgement dismissing the Claim against the Company. The Court of Appeal has not yet ruled on Sears' application.