



RNS Number : 7962S  
Aurum Mining PLC  
28 December 2016

## **Aurum Mining Plc**

### **Interim financial statements for the six months ended 30 September 2016**

In my Chairman's statement in our Annual Report that was published in August 2016, I commented that it was difficult to see substantial upside from the junior mining sector given conditions in that marketplace and that my focus would therefore be on seeking a transformational deal for your Company in a different sector.

To that end, we have successfully attracted four high profile professionals to join our Board, each of whom has extensive operational knowledge of the digital environment, encompassing data security, cybercrime and cyberterrorism. My fellow Directors will be working with me to identify a suitable target for this transformational deal.

Further, since the period end, we raised £1.2 million in October and more recently a further £6 million, which is subject to shareholder approval at our General Meeting to be held in early January 2017. These funds will provide both working capital for the identification of targets and will meet or contribute towards the cash element of any acquisition. The digital resilience sector is highly fragmented and we see this as an opportunity to buy and build a strong presence in this diverse space. The wealth of experience and contacts from our new Directors means that we are alive to a number of opportunities and we hope that loyal shareholders see some positive action on this front in the New Year.

During the period and since, the Company has continued to focus its efforts on its highly prospective Spanish gold portfolio however with the proposed change in the strategic direction of the Company, our Mining Directors have been tasked with finding an elegant solution to take us out of our gold exploration prospects whilst retaining some form of carried interest. This will then enable your Board to focus on activity in the more exciting area of digital resilience.

I will of course keep shareholders updated on our progress and I look forward to sharing with you what should be a particularly exciting year ahead.

## **Key financials**

For the six months to 30 September 2016, the Company reported a loss of £62,000 compared to a loss of £89,000 for the same period in 2015.

The loss for the period includes a positive £34,000 fair value adjustment to reflect the value of the Company's shareholding in Plymouth Minerals Limited which it received as consideration when it disposed of a majority stake in the Morille tungsten project in 2013.

During the period the Company raised £150,000 through the issue of two tranches of convertible loan. In addition, the Company raised £25,000 by way of a subscription for shares in July 2016.

Prior to the period end, the Company had received prepaid cash of £245,000 in relation to the placing that was completed in October 2016.

During this period of transition, cash management and cost control have remained key priorities for the Company.

## **Post balance sheet events**

In October the Company completed a fundraise of £1.195 million pounds (before expenses) through the issue of 119.5 million new Ordinary shares of 1 pence. Also in October 2016, two of the new Directors subscribed for 10 million new ordinary shares of 1 pence per share, Total proceeds for the Company as a result of these subscriptions was £300,000 (before expenses).

On 25 November 2016, the Company announced that a £50,000 tranche of the convertible loan issued earlier in the year had been converted into Ordinary shares of the Company, and that the Company has raised £25,000 through the issue of 2.5 million Ordinary shares of 1 pence.

On 21 December 2016, the Company announced a conditional placing of 150 million new ordinary shares of 1 pence per share at a price of 4 pence per share raising approximately £6 million (before expenses). A General Meeting has been called on 9 January 2017 for shareholders to approve the issue of these shares.

At the General Meeting on the 9 January 2017, shareholders will also vote on a resolution to change the name of the Company to Shearwater Group plc.

A Circular has been sent to shareholders in anticipation of the General Meeting and which contains further information on the new strategic direction of the Company.

## **Corporate**

The Board would like to thank its Shareholders and advisers for their input during this transitional period.

To facilitate its new strategic direction, the Company announced various Directorate changes during the last few months. Michael (Mo) Stevens joined the Board as the Chief Executive Officer, and Robin Southwell, Giles Willits and Stephen Ball joined the Board as Non-Executive Directors. Chris Eadie also re-joined the Board as an Executive Director to oversee the Company's mining interests.

Haresh Kanabar stepped down from the Board in September 2016.

## **Qualified Person**

Sean Finlay, Professional Geologist, Chartered Engineer, Non-Executive Director of Aurum Mining plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this report.

David Williams

Chairman

28 December 2016

Aurum Mining Plc

Statement of comprehensive income for the six months ended 30 September 2016

		Six months to 30 September	Six months to 30 September	Year ended 31 March
		2016	2015	2016
		£'000	£'000	£'000
	Notes	Unaudited	Unaudited	Audited
Impairment charge		-	(2)	(64)
Administrative expenses		(96)	(87)	(179)
Operating loss		(96)	(89)	(243)
Loss for the period/year before taxation		(96)	(89)	(243)
Taxation		-	-	-
Loss for the period/year after taxation		(96)	(89)	(243)
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Change in fair value of available-for-		34	-	27

sale financial assets				
Total comprehensive loss for the period/year		(62)	(89)	(216)
Loss per share expressed in pence per share				
Basic and Diluted	2	(0.06)p	(0.05)p	(0.14)p

## Aurum Mining Plc

## Statement of financial position as at 30 September 2016

Company No: 05059457		As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	Notes	£'000	£'000	£'000
		Unaudited	Unaudited	Audited
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	3	936	899	926
Investments	4	76	77	42
<b>Total non-current assets</b>		<b>1,012</b>	<b>976</b>	<b>968</b>
<b>Current assets</b>				
Receivables		19	13	11
Cash and cash equivalents		289	83	45
<b>Total current assets</b>		<b>308</b>	<b>96</b>	<b>56</b>
<b>Total assets</b>		<b>1,320</b>	<b>1,072</b>	<b>1,024</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Convertible loan		150	-	50
Trade and other payables		55	39	67
<b>Total current liabilities</b>		<b>205</b>	<b>39</b>	<b>117</b>
<b>Total liabilities</b>		<b>205</b>	<b>39</b>	<b>117</b>
<b>Net assets</b>		<b>1,115</b>	<b>1,033</b>	<b>907</b>

Capital and reserves attributable to the equity holders of the company				
Share capital	5	1,744	1,718	1,719
Shares to be issued		245	-	-
Share premium		11,593	11,593	11,593
Available-for-sale reserve		61	-	27
Retained deficit		(12,528)	(12,278)	(12,432)
Total equity		1,115	1,033	907

Aurum Mining plc

Statement of changes in equity

	Share capital	Shares to be issued	Available for sale reserve	Share premium	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2016	1,719	-	27	11,593	(12,432)	907
Total loss for the period	-	-	-	-	(96)	(96)
Other comprehensive income						
Fair value adjustment on available for sale investment	-	-	34	-	-	34
Total comprehensive loss for the year	-	-	34	-	(96)	(62)
Issue of shares	25	-	-	-	-	25
Shares to be issued	-	245	-	-	-	245
At 30 September 2016 (unaudited)	1,744	245	61	11,593	(12,528)	1,115

At 1 April 2015	1,461	140	-	11,596	(12,189)	1,008
Total comprehensive loss for the period	-	-	-	-	(89)	(89)



Issue of shares net of issue costs	257	(140)	-	(3)	-	114
At 30 September 2015 (unaudited)	1,718	-	-	11,593	(12,278)	1,033

At 1 April 2015	1,461	140	-	11,596	(12,189)	1,008
Total loss for the year	-	-	-	-	(243)	(243)
Other comprehensive income						
Fair value adjustment on available for sale investment	-	-	27	-	-	27
Total comprehensive loss for the year	-	-	27	-	(243)	(216)
Issue of shares net of issue costs	118	-	-	(3)	-	115
Shares to be issued	140	(140)	-	-	-	-
At 31 March 2016 (audited)	1,719	-	27	11,593	(12,432)	907

The following describes the nature and purpose of each reserve within owners' equity.

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value.
Shares to be issued	Shares for which consideration has been received, but which are not issued yet.
Available-for-sale reserve	Unrealised gain or losses on fair value re-measurement on available for sale investments
Retained deficit	Cumulative net gains and losses recognised in the income statement less distributions made.

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Statement of cash flows for the six months ended 30 September 2016

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2016	2015	2016
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
Cash flows from operating activities			
Loss for the period before tax	(96)	(89)	(243)
Adjustments for:			
Impairment charge	-	2	64
Cash flow from operating activities before changes in working capital	(96)	(87)	(179)
(Increase) / decrease in other receivables	(8)	-	2
Decrease in trade and other payables	(12)	(50)	(22)
Net cash flow used in operating activities	(116)	(137)	(199)
Investing activities			
Ormonde joint venture payments	(10)	-	(27)
Net cash flow used in investing activities	(10)	-	(27)
Financing activities			
Proceeds from issue of share capital	25	117	118
Expenses paid in connection with share issues	-	(3)	(3)
Proceeds from convertible loan	100	-	50
Cash received in respect of shares to be issued	245	-	-

Net cash flow from financing activities	370	114	(165)
Net increase / (decrease) in cash and cash equivalents	244	(23)	(61)

Cash and cash equivalents at the beginning of the period/year	45	106	106
Cash and cash equivalents at the end of the period/year	289	83	45

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Notes to the interim financial statements for the half year ended 30 September 2016

## 1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). The company has not elected to comply with IAS 34 "Interim Financial Reporting" as permitted. The principal accounting policies used in preparing the interim financial statements are unchanged from those disclosed in the Company's Annual Report for the year ended 31 March 2016 and are expected to be consistent with those policies that will be in effect at the year end except the Company has adopted a number of revised standards and interpretations. However, none of these has had a material effect on the Company's reporting. In addition, the IASB has issued a number of IFRS and IFRIC amendments and interpretations since the last annual report.

The financial statements for the six months ended 30 September 2016 and 30 September 2015 are un-reviewed and unaudited. The comparative financial information does not constitute statutory financial statements as defined by Section 434 of the Companies Act 2006. The comparative financial information for the year ended 31 March 2016 is not the Company's full statutory accounts for that period. A copy of those statutory financial statements has been delivered to the registrar of companies. The auditors' report on those accounts was unqualified, but did draw attention by way of emphasis, in respect of the company's ability to continue as a going

concern, but did not contain a statement under section 498 (2) - (3) of the Companies Act 2006.

The company's financial statements are presented in Great Britain Pounds Sterling, and all values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

## **Going concern**

Following a review of the Company's operations, its current financial position and cash flow forecasts, the Directors have formed a view that the Company will have sufficient cash resources available to it to continue in operational existence and meet its financial commitments as they arise in the next twelve months. The Directors have formed this view based on the amount of available cash within the Company, the Company's historical track record of raising funds from the AIM market, and the assets and investments the Company holds which could be made available for potential sale, should the need arise.

Based on the above the Directors have concluded that the Company can continue as a going concern for a period of at least twelve months from the date of signing the interim financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these interim financial statements.

## **2. Loss per share**

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

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

As at 30 September 2016 there were nil (30 September 2015: 4,450,000, 31 March 2016: 3,950,000) potentially dilutive ordinary shares.

Dilutive potential ordinary shares include share options and warrants.

The effect of all potential ordinary shares arising from the exercise of options is anti-dilutive and therefore diluted loss per share has not been calculated.

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2016	2015	2016
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
Net loss attributable to equity holders of the parent:			
From total operations	(96)	(89)	(243)

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2016	2015	2016
	Number	Number	Number
	Unaudited	Unaudited	Audited
Weighted average number of shares:			
Weighted average number of shares	172,770,616	170,687,372	170,580,011

### 3. Intangible assets

	Gold exploration £'000
Cost	
At 1 April 2015 and 30 September 2015	899
Additions	27
As at 31 March 2016	926
Additions	10
As at 30 September 2016	936

#### 4. Investments

	Investment in Morille Mining £'000	Investment in Plymouth Minerals Ltd £'000	Total £'000
Cost			
As at 1 April 2015	64	15	79
Fair value loss	-	(2)	(2)
At 30 September 2015	64	13	77
Impairment	(64)	-	(64)
Fair value gain	-	29	29
At 31 March 2016	-	42	42
Fair value gain	-	34	34
At 30 September 2016	-	76	76

#### 5. Share capital

	Number	Nominal value £'000	Share premium £'000	Total £'000
Allotted, issued and fully paid ordinary shares of £0.01				
As at 1 April 2015	146,091,930	1,461	11,596	13,057
Issue of shares net of issue costs	25,758,356	258	(3)	255
As at 30 September 2015 and 31 March 2016	171,850,286	1,719	11,593	13,312

As at 1 April 2016	171,850,286	1,719	11,593	13,312
Issue of shares net of issue costs	2,500,000	25	-	25
As at 30 September 2016	174,350,286	1,744	11,593	13,337

## **6. Events after the reporting period**

Details of significant post reporting period events are included within the Review of activities.

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