

29<sup>th</sup> November 2019

Dissemination of a Regulatory Announcement that contains inside information according to Regulation (EU) No 596/2014 (MAR).

**MetalNRG plc**  
**("MNRG" or "the Company")**

**Interim Results**

MetalNRG plc (LSE:MNRG), the natural resource investing and exploration company, announces its results for the six months ended 31<sup>st</sup> August 2019.

**Operational Highlights**

Key operational milestones achieved during the period:

- The build up to August this year was mostly focused on delivering admission of the Company's shares to the standard segment of the official list of the FCA and to trading on the main market of the London Stock Exchange plc ("Admission") which was planned and based on the Company's principal assets being in uranium and gold. Unfortunately, plans in relation to the uranium project in the Republic of Kyrgyz were suspended in light of a proposed ban by the local government of any exploitation of uranium. As a result, focus was shifted to securing Admission concentrating on the development of the Gold Ridge Project.
- Due to the proposed ban on uranium mining in the Republic of Kyrgyz not being resolved, it was agreed with the in-country partner that the Company will not invest any further in the project until there is clarity on this issue, and if the Company is to re-consider the position, there will be the opportunity to potentially revisit the valuation of that project.
- In September 2019, work commenced on the Gold Ridge Mine, one of three historic mines within the Gold Ridge Project in Arizona, with an assessment of whether a plan to generate cash flows from the mine to finance further development, was commercially viable. Results to date indicate this to be a realistic proposition and work continues on the development plan.
- During site visits to the Gold Ridge Mine samples were taken from waste dumps outside level 6 of the mine; these were tested and the results were encouraging. The Company is currently considering monetisation options. While completing the assessment of samples on the waste dumps it was also determined that certain parts of the internal workings of the mines could be accessed safely. A number of samples were taken of pillars that had been left behind from previous workings. The results of the samples from the pillars were announced to the market yesterday.
- As a result of work carried out and the review of historical data the Company believes that the three historical producing mines, including the Gold Ridge Mine, within the Gold Ridge Project area are part of one system. Review work will continue in greater detail to establish if this is the case.

**Corporate and Financial Highlights**

- In July of this year, the Company's listing moved from the NEX Exchange Growth Market to the standard segment of the official list of the FCA and trading commenced on the main market of the London Stock Exchange plc. On 23<sup>rd</sup> July 2019, the Company's existing ordinary shares and 94,333,326 new ordinary shares issued in connection with a share placing were admitted to listing on the standard segment of the Official List and to trading on the main market for listed securities. The listing process took longer than anticipated due to the issues mentioned above with our uranium investment. As a result, our prospectus set out, as the Company's focus, the development of the Gold Ridge Project, which had been acquired from Winston Gold Corporation in November last year.
- The plan is now to develop the Gold Ridge Mine by generating cash flow from the operation and exploring for further upside, while at the same time assessing new projects as investment opportunities. All new opportunities will need to offer an opportunity to generate short term cashflow from the operations while offering additional exploration upside.
- In August, at the Company's AGM, all resolutions were passed by shareholders as reported in the RNS announcement on 27<sup>th</sup> August.

### **Corporate and Financial Highlights, continued**

- On 23<sup>rd</sup> September, Gervaise Heddle's resignation from the Board was announced. The Board would like to take this opportunity to thank Gervaise for his support over the last three years and wish him well for the future.
- On 29<sup>th</sup> November, it was announced that the Company had entered into an exclusivity agreement to purchase an interest in an oil and gas project in Romania; that announcement was followed by the announcement that PierPaolo Rocco will be joining the MNRG board to drive forward that project.

**Christopher Latilla-Campbell, Chairman, commented:** We are encouraged by the positive exploration results from our Gold Ridge Project and the work on plans to monetise these continue apace. Rolf and his team are also pursuing additional projects in parallel to these and we hope to be able to disclose these shortly.

### **Operational Review**

As a result of the review of all available data on the Gold Ridge Mine in Arizona, the Company is now laying out its plan for the next stage of work, leading towards the monetising of the waste dump outside level 6 and completing a series of samples on the pillars inside the mine at that level.

The results from the samples from the waste dump outside level 6 confirm a viable 1.74g/t recoverable gold, which is made up of 2,753 tonnes containing 4,785.39 grams of gold. The Company is now in the process of identifying a processing plant that will take the waste for processing; the Company is currently in negotiations with two plants, both in close proximity to the mine. The Company is also assessing the optimal way to load and transport the resource from the waste dump and aims to be able to report back on negotiations in December 2019.

One sample, taken from a boulder on the side of the waste dump, which originated from one of the pillars left behind from internal mine workings at level 6, returned potentially very favourable results, as reported in the RNS announcement on 30<sup>th</sup> September 2019. This sample, along with data left behind in the various data bases on the operations by the previous miners, suggest the potential to monetise the pillars. There are a significant number of pillars left behind at level 6 and it is planned to take a series of samples from these. The sampling of the pillars, to achieve a statistically relevant sample size, was completed at the beginning of November, with samples being sent to the ALS Global laboratory. Results are expected in December 2019.

While work at the Gold Ridge Mine is progressed, the Company will also be looking at how best to move the Palomino project in Australia forward.

### **Corporate Development**

The Company will continue to seek additional projects that meet the set investment criteria. The intention is specifically to seek opportunities where we can deliver early cashflow from an asset and where the cashflow from the operations allows us to explore further development upside on each particular project. The announcement on the proposed oil and gas project is an encouraging development for the Company, allowing a diversification our investment and risk.

### **Financial Review**

MetalNRG reported an unaudited operating loss for the six months ended 31<sup>st</sup> August 2019 of £260,228 (six months to 31<sup>st</sup> August 2018: loss of £238,108). Basic and diluted loss per share for the period was 0.12p and 0.10p respectively (six months to 31<sup>st</sup> August 2018: Basic loss per share 0.14p and Diluted loss per share 0.12p).

### **Outlook**

The Gold Ridge Mine will be the immediate focus of the Company's work and it will seek to exploit the opportunities offered by it, while at the same time actively seeking additional new investment projects.

### **Responsibility Statement**

The Company confirms that to the best of its knowledge:

- The interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the EU;
- Give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The interim report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim financial information, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- The interim financial information includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

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#### Notes for Editors:

**MetalNRG plc (LSE:MNRG)** is a natural resource investing and exploration company whose securities are listed on the main market of London Stock Exchange plc.

The Company's primary strategy is to focus on seeking potential investments in precious and strategic metals through the application of disciplined and structured exploration and analysis.

The Company will update the market as and when appropriate.

#### Consolidated Income Statement

		6 months to 31 August 2019	6 months to 31 August 2018	Year ended 28 February 2019
		Unaudited £	Unaudited £	Audited £
Revenue		-	-	-
Administrative expenses		(179,859)	(105,206)	(249,692)
Other operating income		16,431	6,121	11,279
IPO expenses		(96,800)	-	-
<b>Operating loss</b>		<b>(260,228)</b>	<b>(99,085)</b>	<b>(238,413)</b>
Finance income		-	305	305
<b>Loss on ordinary activities before taxation</b>		<b>(260,228)</b>	<b>(98,780)</b>	<b>(238,108)</b>
Tax on loss on ordinary activities		-	-	-
<b>Loss for the financial period attributable to equity holders</b>		<b>(260,228)</b>	<b>(98,780)</b>	<b>(238,108)</b>
<b>Earnings per share – see note 3</b>				

Basic			(0.12) pence		(0.07) pence		(0.14) pence
Diluted			(0.10) pence		(0.05) pence		(0.12) pence

## Consolidated Statement of Financial Position

			6 months to 31 August 2019		6 months to 31 August 2018		Year ended 28 February 2019
			Unaudited £		Unaudited £		Audited £
<b>Assets</b>							
<b>Non-current assets</b>							
Intangible fixed assets			641,295		194,688		621,151
Investments			182,764		246,491		168,919
Available for sale assets			52,083		-		107,800
<b>Total assets</b>			876,142		441,179		897,870
<b>Current assets</b>							
Trade and other receivables			206,141		8,060		190,650
Cash and cash equivalents			70,959		76,870		24,168
<b>Total current assets</b>			277,100		84,930		214,818
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade and other payables			(192,562)		(13,338)		(178,473)
<b>Total liabilities</b>			(192,562)		(13,338)		(178,473)
<b>Net assets</b>			960,680		512,771		934,215
<b>Equity</b>							
Share capital			266,847		253,085		257,114
Share premium			2,167,311		1,330,908		1,886,524
Retained losses			(1,470,778)		(1,071,222)		(1,210,550)
Foreign currency reserve			(2,700)		-		1,127
<b>Total equity</b>			960,680		512,771		934,215

## Consolidated Statement of Cash Flows

		6 months to 31 August 2019	6 months to 31 August 2018	Year ended 28 February 2019
		Unaudited £	Unaudited £	Audited £
<b>Cash flow from operating activities</b>				
Operating loss		(260,228)	(98,780)	(238,108)
Loss/(profit) on sale of investment		16,357	-	(11,279)
Shares (issued)/received in lieu of fees		79,730	-	(62,500)
Impairment of investments		-	-	92,878
Finance income		-	(305)	(305)
Increase/(decrease) in payables		14,089	(676)	129,078
(Increase)/decrease in receivables		(19,318)	(5,664)	(153,254)
<b>Net cash outflow from operations</b>		(169,370)	(105,425)	(243,490)
<b>Cash flows from investing activities</b>				
Payments for intangible assets		(20,144)	(194,689)	(621,251)
Creditors on acquisition		-	-	37,927
Proceeds from sale of investment		39,360	-	26,118
Purchase of investments		(13,845)	(71,057)	(147,822)
<b>Net cash flows from investing activities</b>		5,371	(265,746)	(705,028)
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares and warrants		210,790	238,063	762,708
Interest received		-	305	305
<b>Net cash flows from financing activities</b>		210,790	238,368	763,013
<b>Net increase/(decrease) in cash and cash equivalents</b>		46,791	(132,803)	(185,505)
Cash and cash equivalents at the beginning of period		24,168	209,673	209,673
<b>Cash and cash equivalents at end of period</b>		70,959	76,870	24,168

## Consolidated Statement of Changes in Equity

	Share capital	Share premium	Retained earnings	Foreign currency reserve	Total
	£	£	£	£	£

<b>At 28 February 2018</b>		<b>250,709</b>	<b>1,095,221</b>	<b>(972,442)</b>	<b>-</b>	<b>373,488</b>
Loss for the period		-	-	(98,780)	-	(98,780)
Total comprehensive income		-	-	(98,780)	-	(98,780)
Share capital issued		2,376	235,687	-	-	238,063
Total contributions by and distributions to owners of the Company		2,376	235,687	-	-	238,063
<b>At 31 August 2018</b>		<b>253,085</b>	<b>1,330,908</b>	<b>(1,071,222)</b>	<b>-</b>	<b>512,771</b>
Loss for the period		-	-	(139,328)	-	(139,328)
Translation differences		-	-	-	1,127	1,127
Total comprehensive income		-	-	(139,328)	1,127	(138,201)
Share capital issued		4,029	537,616	-	-	541,645
Total contributions by and distributions to owners of the Company		4,029	537,616	-	-	541,645
<b>As at 28 February 2019</b>		<b>257,114</b>	<b>1,886,524</b>	<b>(1,210,550)</b>	<b>1,127</b>	<b>934,215</b>

Loss for the period		-	-	(260,228)	-	(260,228)
Translation differences		-	-	-	(3,827)	(3,827)
Total comprehensive income		-	-	(260,228)	(3,827)	(264,055)
Share capital issued		9,733	280,787	-	-	290,520
Total contributions by and distributions to owners of the Company		9,733	280,787	-	-	290,520
<b>As at 31 August 2019</b>		<b>266,847</b>	<b>2,167,311</b>	<b>(1,470,778)</b>	<b>(2,700)</b>	<b>960,680</b>

## Half-yearly report notes

### 1. Half-yearly report

This half-yearly report was approved by the Directors on 29<sup>th</sup> November 2019.

The information relating to the six-month periods to 31<sup>st</sup> August 2019 and 31<sup>st</sup> August 2018 are unaudited.

The information relating to the year to 28<sup>th</sup> February 2019 is extracted from the audited financial statements of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report. The condensed interim financial statements have been reviewed by the Company's auditor.

## **2. Basis of accounting**

The report has been prepared using accounting policies and practices that are consistent with those adopted in the statutory financial statements for the period ended 28<sup>th</sup> February 2019, although the information does not constitute statutory financial statements within the meaning of the Companies Act 2006. The half-yearly report has been prepared under the historical cost convention.

These half-yearly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 28<sup>th</sup> February 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company will report again for the full year to 28<sup>th</sup> February 2020.

### *Going concern*

The Company's day to day financing is from its available cash resources.

The Company is confident of raising funds to enable it to continue to develop its targeted investments and exploration campaigns across its key projects over the next 12-18 months and the Directors are confident that adequate funding can be raised as required to meet the Company's current and future liabilities.

For the reasons outlined above, the Directors are satisfied that the Company will be able to meet its current and future liabilities, and continue trading, for the foreseeable future and, in any event, for a period of not less than twelve months from the date of approving this report. The preparation of these financial statements on a going concern basis is therefore considered to remain appropriate.

### *Critical accounting estimates*

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the Company's 2019 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

### *Intangible assets*

#### *Exploration and development costs*

All costs associated with mineral exploration and investments are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of economically recoverable reserves on a unit of production basis.

### *Intangible assets*

#### *Exploration and development costs*

Where a licence is relinquished or a project abandoned, the related costs are written off in the period in which the event occurs. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

### 3. Earnings per share

		6 months to 31 August 2019	6 months to 31 August 2018		Year ended 28 February 2019
		Unaudited £	Unaudited £		Audited £
These have been calculated on a loss of:		(260,228)	(98,780)		(238,108)
The basic weighted average number of shares used was:		225,839,993	151,190,534		169,015,298
The diluted weighted average number of shares used was:		263,289,993	198,690,534		206,465,298
Basic loss per share:		(0.12) pence	(0.07) pence		(0.14) pence
Diluted loss per share:		(0.10) pence	(0.05) pence		(0.12) pence

### 4. Events after the reporting period

There were no reportable events after the reporting period other than those highlighted in the 'Financial Review'.

The Condensed interim financial statements were approved by the Board of Directors on 29<sup>th</sup> November 2019.

By order of the Board

Rolf Gerritsen  
Director

Copies of this half-yearly report are available free of charge by application in writing to the Company Secretary at the Company's registered office: 1 Ely Place, London, EC1N 6RY, or by email to [info@city-group.com](mailto:info@city-group.com). The report will also be made available on the Company's website: [www.metalnrg.com](http://www.metalnrg.com).

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