RNS Number : 2229O
East Star Resources PLC
29 September 2023

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29 September 2023

East Star Resources Plc

("East Star" or the **"Company")**

Half Year Report for the Six Months Ended 30 June 2023

East Star Resources Plc (LSE:EST), which is defining mineral resources in Kazakhstan for the energy revolution, is pleased to present its half year report for the six month period ended 30 June 2023.

Projects Highlights

Copper-Zinc-Lead - Rudny Altai VMS Belt

- Announced on 25 January 2023 the identification of a substantial copper-zinc-lead-deposit located within the 100% owned RA3 licence (the "Verkhuba Deposit")
    - o An independent JORC-compliant Exploration Target of 19-23 Mt at 1.4-1.9% CuEq for the Verkhuba Deposit was announced on 21 March 2023, defined by 97 drill holes comprising 42,178 m of historical diamond drilling
    - o Conducted extensive geological traverse over project area in preparation for drilling, mapping more than 70 historical collar locations
- Post period-end, in August 2023, East Star commenced diamond core drilling, focusing primarily on the Verkhuba Deposit
- Announced on 20 September 2023 encouraging observations with visual core inspection combined with X-ray fluorescence ("XRF") readings confirming presence of copper and zinc mineralisation in the first four holes at Verkhuba
    - o Copper mineralisation identified in all holes with multiple massive sulphide intervals recognised
    - o Drilling identified large thicknesses of disseminated copper mineralisation, not previously acknowledged or assayed in historical drilling

- Core is being prepared for multi-element assay including copper, zinc, and precious metals (gold/silver)

Rare Earths - East Kostanay

- Announced on 3 April 2023 assay results from drilling in November 2022 which demonstrated high grade intersections across the entire tested area and broad intersections in every drill hole, validating historical data and providing a strong indication of an REE deposit of consequential size and grade
- Sequential leach test results announced on 16 June 2023 demonstrated that a majority of REEs had been liberated from primary minerals during the weathering process
- Planning low-cost assessment of additional test work to identify if an economic process to leach rare earth elements from the weathered material is possible

Gold - Chu-Ili Orogenic Gold Belt

- Assay results from 2022 drilling on Apmintas Licence announced on 13 February 2023 demonstrated:
    - Anomalous gold mineralisation in all three target areas with potential economic grades in the Eshkilitau II and Southern Shabdar targets
    - Eshkilitau II has potential for a mineralised system with a strike of >1 km along a fault zone with significant regional exploration upside potential from >10km of strike
    - Analysis ongoing to determine next steps
- Assay results from 2022 drilling on Dalny Licence announced on 26 April 2023 confirmed a gold bearing mineralised system with shallow intersections of potentially economic grades and widths
    - Analysis ongoing to determine next steps

Sandy Barblett, Non-Executive Chairman, commented:

"In early January 2023 East Star identified a substantial copper-zinc-lead deposit defined from extensive historical drilling. Since then, we have wasted no time in preparing for and undertaking our first copper drilling programme, primarily focusing on this deposit. Together with a number of exciting heli-electromagnetic and other targets, the Company's Rudny Altai prospects are potential game-changers for our Company in a prolific copper region with established infrastructure. We look forward in due course to receiving results of the first assays, from what is evidently a strongly mineralised system.

"In addition, field and desktop work continues on other prospects across the VMS licences. A review by one of the world's most prominent VMS experts, Dr Bruce Gemmell, highlights our licences as being "highly prospective for the discovery of new VMS deposits." This was further validated by a field visit from VMS expert, Dr Carl Brauhart, in August 2023, which confirmed our analysis that felsic volcanic rocks are abundant across the tenements with almost all field observations being consistent with a deep marine environment suitable for the establishment of VMS deposits.

"In parallel, East Star has continued to evaluate data from our rare earths and gold projects to determine the next steps in exploration."

For further information visit the Company's website at www.eaststarplc.com, or contact:

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About East Star Resources Plc

East Star Resources is focused on the discovery and development of strategic minerals required for the energy revolution. With an initial nine licences covering 1,321.5 km² in three mineral rich districts of Kazakhstan, East Star is undertaking an intensive exploration programme, applying modern geophysics to discover minerals in levels that were not previously explored. The Company also intends to further expand its licence portfolio in Kazakhstan. East Star's management are based permanently on the ground, supported by local expertise, and joint ventures with the state mining company.

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The person who arranged for the release of this announcement was Alex Walker, CEO of the Company.

CHAIRMAN'S STATEMENT

Introduction

The first half of 2023 (the "Period") has seen intense operational activity. In early January 2023, East Star identified a substantial copper-zinc-lead deposit defined from extensive historical drilling. Since then, we have wasted no time in preparing for and undertaking our first copper drilling campaign, primarily focusing on this deposit. Together with a number of exciting heli-electromagnetic ("HEM") and other targets, the Company's Rudny Altai prospects are potential game-changers in a prolific copper region with established infrastructure, providing a potential route to a low-CAPEX development.

In parallel, East Star has continued work to evaluate data from our rare earths and gold projects to determine the next steps in exploration.

Review of Operations

Copper-Zinc-Lead - Rudny Altai VMS Belt

On 25 January 2023, East Star announced the identification of a substantial copper-zinc-lead deposit ("Cu-Zn-Pb") located within our 100% owned RA3 licence, centrally located in the world-class Rudny Altai VMS belt. The newly identified polymetallic deposit known as the Verkhuba Deposit is within the greater Verkhuba Ore District on East Star's licences which includes a number of other high priority HEM anomalies.

The next step in anticipation of drilling was to commission leading resource advisors AMC Consultants to determine an independent JORC-compliant Exploration Target for the Verkhuba Deposit. On 21 March 2023, we published AMC Consultants' Exploration Target of 19-23 Mt at 1.0-1.4% Cu and 1.0-1.4% Zn (1.4-1.9% CuEq), which is defined by 97 drill holes comprising 42,178 m of historical diamond drilling, reviewed by East Star over the preceding 12 months.

Shortly after the Period, in July 2023, we began to prepare the site for an initial drilling programme. Our field teams undertook an extensive geological traverse over the project area, mapping more than 70 historical collar locations as well as a number of copper outcrops. On 10 July 2023, we announced we had contracted Everest Sondaj LLP, a Turkish-owned and locally operated drilling contractor with extensive experience in drilling oriented diamond core in mountainous areas, to execute our drilling programme.

During August 2023, we commenced diamond core drilling at the Verkuba Deposit. This initial programme was aimed, amongst other things, at twinning existing boreholes with identified strong copper mineralisation, as well as testing the potential of gold and silver mineralisation which was not assayed for in historical drilling but is known to be present in metallurgical samples taken from within the deposit.

On 20 September 2023, we were pleased to announce encouraging observations from visual inspection and logging of core, with much of the drilling correlating with anticipated mineralised zones from the historical data. Broad zones of disseminated sulphides with consistent copper and zinc readings by XRF, along with zones of chalcopyrite-rich massive sulphides, leaves very little doubt we are in a strongly mineralised system. Core is currently being prepared for assay which will provide the data we need to model these results against the historical drill holes which will hopefully form the basis of a JORC compliant resource.'

In addition, field and desktop work continues on other prospects across the Rudny Altai VMS licences. A review by one of the world's most prominent VMS experts, Dr Bruce Gemmell, highlights our licences as being "highly prospective for the discovery of new VMS deposits." This was further validated by a field visit from VMS expert, Dr Carl Brauhart, in August 2023, which confirmed our analysis that felsic volcanic rocks are abundant across the tenements with almost all field observations being consistent with a deep marine environment suitable for the establishment of VMS deposits.

Rare Earths - East Kostanay

On 3 April 2023, we announced assay results from initial drilling to test the Talairyk project for Rare Earth Element ("REE") concentrations. The results demonstrated high grade intersections across the entire tested area and broad intersections in every drill hole, validating historical data and providing a strong indication of an REE deposit of consequential size and grade. Samples analysed reported Total Rare Earth Oxides with an average grade of 934.4 ppm with the highest-grade result of 2m at 6,127 ppm TREO.

Eight samples were sent for five-stage sequential leach test work to provide an initial indication as to the leachability of the REEs from the clays. The test work was conducted by the School of Applied Sciences at University of Brighton, UK and the results were announced on 16 June 2023. Sequential leach testing clearly demonstrated that a majority of REEs were liberated from primary minerals during the weathering process and were now associated with other mineral phases. Our understanding of the minerology and potential for economic extraction of REEs from the Talairyk deposit has grown significantly and, while not definitive, it will allow us to plan a low-cost assessment of what additional test work is required to identify if an economic process to leach rare earth elements from the weathered material is possible. We are consulting with metallurgical specialists in this regard to assess the next phase of testing.

Gold - Chu-Ili Orogenic Gold Belt

On 13 February 2023, we announced results from diamond core drilling undertaken in 2022 on the Apmintas Licence. The results demonstrated gold bearing systems in all three target areas. Eshkilitau II showed potential for an extensive mineralised system with a strike of more than 1 km along a fault zone. High-grade intersections at Southern Shabdar (32.15 g/t Au) and Eshkilitau (14.01 g/t Au) demonstrated the existence of high-grade zones within the mineralised systems while gold occurrences mapped over 10 km of the Eshkilitau trend demonstrated the exploration upside within the region.

On 26 April 2023, we announced results from diamond core drilling in 2022 on the Dalny Licence, with results from the Alatagyl northern area indicating a gold bearing mineralised system with shallow intersections of potentially economic grades and widths.

We are undertaking a review of all the drill results against the historical data to expand our knowledge of the mineralisation system on these licences and determine the scope of follow-up exploration.

Key East Star Financial Indicators

- Cash and cash equivalents at 30 June 2023 were £765,000
- Loss before taxation for the Period was £260,000
- The Group held net assets at 30 June 2023 of £3,494,000

Summary

We are eagerly awaiting the assays from the drilling at the Verkhuba Copper Deposit from what is evidently a strongly mineralised system. Further understanding and advancing the opportunity at Verkhuba and other attractive targets is clearly our number one priority in the coming months given the scale and proximity of the opportunity. A maiden JORC-compliant resource, which we hope to obtain in due course, will move us a step closer towards our objective of a low CAPEX, low OPEX development with nearby processing options.

I would like to pay tribute to Alex Walker and his in-country team for the tremendous progress made during the Period. We thank all shareholders for their continued support and look forward to updating you again in due course.

Sandy Barblett
Non-Executive Chairman
29 September 2023

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

	Unaudited Period ending 30 June 2023	Unaudited Period ending 31 May 2022

	Note	£'000	£'000
Continuing Operations			
Administrative expenses	5	(260)	(399)
Operating loss		**(260)**	**(399)**
Finance Income		-	(93)
Reverse acquisition expense		-	(1,626)
Loss before taxation		**(260)**	**(2,118)**
Other comprehensive income		(60)	91
Total comprehensive loss for the period attributable to shareholders from continuing operations		**(320)**	**(2,027)**
Basic & dilutive earnings per share - (£ pence)	6	(0.143)	(1.435)

The notes form an integral part of the Condensed Consolidated Interim Financial Statements.

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Unaudited As At 30 June 2023 £'000	Unaudited As At 31 May 2022 £'000	Audited As At 31 December 2022 £'000
NON-CURRENT ASSETS				
Exploration assets	7	2,543	-	2,268
Earn in advance (financial asset)		57	-	57
Property, plant and equipment		19	26	25

Intangibles		-	1,039	-
TOTAL NON-CURRENT ASSETS		2,619	1,065	2,350
CURRENT ASSETS				
Cash and cash equivalents		765	3,205	1,456
Trade and other receivables		180	327	133
TOTAL CURRENT ASSETS		945	3,532	**1,589**
TOTAL ASSETS		**3,564**	**4,597**	**3,939**
CURRENT LIABILITIES				
Trade and other payables		70	50	127
TOTAL CURRENT LIABILITIES		**70**	**50**	**127**
TOTAL LIABILITIES		**70**	**50**	**127**
NET ASSETS		**3,494**	**4,547**	**3,812**
EQUITY				
Share capital	9	1,823	1,823	1,823
Share premium	9	5,891	5,905	5,891
Share based payment reserve	10	270	106	268
Share capital to be issued		3,750	3,750	3,750
Foreign exchange reserve		6	93	66
Reverse acquisition reserve		(4,795)	(4,932)	(4,795)
Retained earnings		(3,451)	(2,198)	(3,191)
Non controlling interest		(0.03)	(0.03)	-
TOTAL EQUITY		**3,494**	**4,547**	**3,812**

The notes form an integral part of the Condensed Consolidated Interim Financial Statements.

The Condensed Consolidated Financial Statements were approved and authorised by the Board of Directors on 29 September 2023

Sandy Barblett

Non-Executive Chairman

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

	Share Capital	Share Premium	Equity reserve	SBP reserve	Foreign exchange reserve	Reverse acquisition reserve	Share Capital to issue	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Balance at 31 December 2021	**53**	**132**	**31**	-	**(4)**	-	-	**(86)**	**126**
Loss for period	-	-	-	-	-	-	-	(3,105)	(3,105)
Other comprehensive income	-	-	-	-	70	-	-	-	70
Total comprehensive expense for year	**-**	**-**	**-**	**-**	**70**	**-**	**-**	**(3,105)**	**(3,035)**
Transactions with owners in own capacity									
Recognition of PLC equity at acquisition date	695	1,501	-	24	-	1,257	-	-	3,477
Remove share capital of DVK	(53)	(132)	(31)	-	-	216	-	-	-
Issue of shares for acquisition of subsidiary	504	2,014	-	-	-	(6,268)	3,750	-	-
Issue of shares for placing	624	2,494	-	-	-	-	-	-	3,118
Share issue costs	-	(118)	-	-	-	-	-	-	(118)
Broker warrants issued	-	-	-	132	-	-	-	-	132
Employee options issued	-	-	-	112	-	-	-	-	112
Transactions with owners in own capacity	1,770	5,759	(31)	268	-	(4,795)	3,750	-	6,721
Balance at 31 December 2022	**1,823**	**5,891**	-	**268**	**66**	**(4,795)**	**3,750**	**(3,191)**	**3,812**
Loss for period	-	-	-	-	-	-	-	(260)	(260)
Other comprehensive income	-	-	-	-	(60)	-	-	-	(60)
Total comprehensive income for period	**-**	**-**	**-**	**-**	**(60)**	**-**	**-**	**(260)**	**(320)**
Transactions with owners in own capacity									
Employee options issued	-	-	-	2	-	-	-	-	2
Transactions with owners in own capacity	-	-	-	2	-	-	-	-	2
Balance at 30 June 2023	**1,823**	**5,891**	-	**270**	**6**	**(4,795)**	**3,750**	**(3,451)**	**3,494**

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASHFLOWS

FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

	Unaudited 6 month period ended 30 June 2023 £'000	Unaudited 6 month period ended 31 May 2022 £'000
Cash flow from operating activities		
Loss before taxation for the period	(320)	(2,027)
Adjustments for:		
Share based payment on reverse acquisition	-	1,626
Depreciation	7	-
Share based payments	2	82
Foreign exchange	54	35
Listing expenses settled in shares	-	18
Changes in working capital:		
Decrease / (increase) in trade and other receivables	(102)	346
Increase / (decrease) in trade and other payables	(46)	(158)
Net cash outflow from operating activities	**(405)**	**(78)**
Cash flows from investing activities		
Investment in fixed assets	(1)	(0.8)
Spend on exploration assets	(275)	(1,039)
Net cash flow from investing activities	**(276)**	**(1,040)**
Cash flows from financing activities		
Proceeds from Issue of Shares	-	3,100
Share Issue Costs	-	(105)
Net cash flow from financing activities	**-**	**2,995**
Net increase in cash and cash equivalents	**(681)**	**1,877**
Cash and cash equivalents at beginning of the period	1,456	1,353
Foreign exchange impact on cash	(10)	(25)
Cash and cash equivalents at end of the period	**765**	**3,205**

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

1. General information

East Star Resources Plc was incorporated under the Companies Act 2006 on 17 November 2020 in England and Wales under the name Cawmed Resources Limited and remains domiciled there with Registered Number 13025608. The Company subsequently changed its name to East Star Resources Limited on 27 January 2021 and on 3rd March 2021 re-registered as a plc. The following condensed consolidated interim financial statements are consolidated to include the Company and all its subsidiaries ("the Group").

The address of its registered office is Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, United Kingdom.

The principal activity of the Group is to explore opportunities in the natural resources sector specifically in relation to gold and copper extraction. In prior periods the Company successfully completed the acquisition of Discovery Ventures Kazakhstan ("DVK"), a Kazakhstan based subsidiary which jointly holds multiple exploration licenses. During this period the Group has under taken significant exploration activities across these licenses and regularly reported to the market on the immense potential of the area.

2. Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). The interim financial statements have been prepared on the historical cost basis, except for assets and liabilities measured at fair value through profit and loss. The Directors have decided not to present parent company standalone financial statements as they do not add to the understandability of the position of the Group.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company's subsidiaries is the Kazakhstan Tenge. The presentational currency of the Group is Pounds Sterling as this is the functional currency of the parent entity and also the currency in which equity fundraising has been facilitated. Amounts have been rounded to the nearest £'000.

The interim financial statements have not been audited and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the audited annual financial statements for the year ended 31 December 2022.

The interim financial statements are for the six months to 30 June 2023, being six months from the financial year end for the Group being 31 December 2022. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual audited financial statements for the period ended 31 December 2022. The Group has prepared the interim financial statements using reverse acquisition methodology and therefore has presented the comparatives for the accounting acquirer (legal subsidiary - DVK). As per IAS 34 the comparative data for the comparable year-to-date period has been presented as well as the year-to-date figures for the immediately preceding financial year being 31 December 2022.

Due to the Parent Company changing accounting reference dates from 31 November to 31 December comparable interims periods are not strictly identical. However as there is no seasonal affects to the business and the periods are of equal length the Directors do not see any issue in presenting the comparative period. The Group is in its relative infancy also and is yet to establish a consistent business cycle so the usefulness of comparability is limited.

The business is not considered to be seasonal in nature.

New standards, amendments and interpretations adopted by the Group

During the current period the Group adopted all the new and revised standards, amendments and interpretations that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Group.

New standards, amendments and interpretations not yet adopted by the Group.

The standards and interpretations that are relevant to the Group, issued, but not yet effective, up to the date of these interim Financial Statements have been evaluated by the Directors and they do not consider that there will be a material impact of transition on the financial statements.

2.2 Going concern

The Directors have assessed the Group's ability to adopt the going concern basis of accounting and consider the adoption to be appropriate in the preparation of the interim financial statements. Currently the Group has cash and cash equivalents of £765k and its only major committed expenditure relates to minimum spend commitments on licenses which equates to around £260,000 until the Group's next reporting date. This combined with a current average cash burn rate across the Group of around £30,000/month supports the fact that the Group will not have any liquidity issues in the near future.

Management have prepared in depth budgets and cash flow analysis to support their assumptions and hence are confident in the adoption of the going concern basis for the Group.

2.3 Risks and uncertainties

The Directors continuously assess and monitor the key risks of the business. The business has not materially changed since the end of the last period and hence risks pertaining to the business remain materially similar. Overall the Board feels that the team and risk mitigation factors that are in place are sufficient to reasonably deal with any risks that may arise.

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Recoverable value of exploration assets - Note 7

Costs capitalised in respect of the Group's mining assets are required to be assessed for impairment under the provisions of IFRS 6. Such an estimate requires the Group to exercise judgement in respect of the indicators of impairment and also in respect of inputs used in the models which are used to support the carrying value of

the assets. Such inputs include estimates of mineral reserves, production profiles, commodity prices, capital expenditure, inflation rates, and pre-tax discount rates that reflect current market assessments of (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted. The Directors concluded that there was no impairment as at 31 December 2022 and circumstances have not changed since then to indicate that there would be any impairment at 30 June 2023.

4. Segment reporting

The Group manages its operations in two segments, being exploration activities in Kazakhstan and corporate functions in the United Kingdom. The results of these segments are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual investment appraisals, and to assess their performance.

Contributions per segment to loss before taxation are detailed below:

	United Kingdom £'000	Kazakhstan £'000	Total £'000
Administrative expenses	(205)	(55)	(260)
Operating loss from continued operations per reportable segment	**(205)**	**(55)**	**(260)**
Reportable segment assets	891	2,673	3,564
Reportable segment liabilities	(16)	(55)	(70)
Total	**875**	**2,619**	**3,494**

5. Administrative expenses

2023	United Kingdom £'000	Kazakhstan £'000	Total £'000
Consultancy expense	(41)	(94)	(135)
Professional fees	(53)	-	(53)
Administrative expenses	(61)	(3)	(64)
Salary expense	(44)	-	(44)
Foreign Exchange	(6)	42	36
	(205)	**(55)**	**(260)**

6. Earnings per share

The calculation for basic and diluted earnings per ordinary share is based on the total comprehensive loss after income tax attributable to equity shareholders for the period and is as follows:

	Unaudited 6 month period ended 30 June 2023	Unaudited 6 month period ended 31 May 2022	Audited Year ended 31 December 2022
Net loss for the period attributable to ordinary equity holders for continuing operations (£'000)	(260)	(2,027)	(3,105)
Weighted average number of ordinary shares in issue	182,250,164	141,193,801	180,843,292
Basic and diluted earnings per share for continuing operations (pence)	**(0.143)**	**(1.435)**	**(1.72)**

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the period presented. See note 23 for further details.

7. Exploration & evaluation assets

	£'000
Opening balance - 1 January 2023	2,268
Exploration expenditure across licenses	275
As at 30 June 2023	**2,543**

Exploration and evaluation assets relate specifically to mining licenses held in the Kazakhstan based subsidiaries. The Group holds a total of 8 licenses plus one jointly through a farm in arrangement with Phoenix Mining Ltd across 3 mineral districts being specifically the Chu-Ili belt, East Kostanay region and Rudny Altai belt. The majority of investment in the assets has been across the Chu-Ili and Rudny held licenses to date.

8. Investment in subsidiaries

Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Discovery Ventures Kazakhstan Limited	Mineral exploration	Kazakhstan	bld. 12/1, VP 32, 3rd floor, IHUB coworking, D. Konayev Street, Yessil district, Astana city, Z05H9B0, Kazakhstan	100%
Chu Ili Resources ltd*	Mineral exploration	Kazakhstan	bld. 12/1, VP 32, 3rd floor, IHUB coworking, D. Konayev Street, Yessil district, Astana city, Z05H9B0, Kazakhstan	80%
Rudny Resources ltd*	Mineral exploration	Kazakhstan	bld. 12/1, VP 32, 3rd floor, IHUB coworking, D. Konayev Street, Yessil district, Astana city, Z05H9B0, Kazakhstan	80%

**Subsidiaries held indirectly through Discovery Ventures Kazakhstan*

9. Share capital and share premium

	Ordinary Shares	Share Capital	Share Premium	Total
	#	£'000	£'000	£'000
As at 31 December 2022	**182,250,164**	**1,823**	**5,891**	**7,714**
As at 30 June 2023	**182,250,164**	**1,823**	**5,891**	**7,714**

10. Share based payments reserve

The following options over ordinary shares have been granted by the Group and are outstanding at period end:

	£'000
Opening balance - 1 January 2023	268
Employee options	2
As at 30 June 2023	**270**

Warrants

	As at 30 June 2023	
	Weighted average exercise price	**Number of warrants**
Brought forward at 1 January 2023	5p	14,813,505
Granted in period	5p	-
Vested in period	5p	-
Lapsed in period	5p	(6,000,000)
Outstanding at 30 June 2023	5p	8,813,505
Exercisable at 30 June 2023	5p	8,813,505

Options

	As at 30 June 2023	
	Weighted average exercise price	**Number of warrants**
Brought forward at 1 January 2023	5p	11,250,000
Granted in period[1]	5p	4,432,326
Vested in period	5p	-
Cancelled in period		(181,159)
Outstanding at 30 June 2023	5p	15,501,167
Exercisable at 30 June 2023	5p	11,250,000

[1] On 1 March 2023, 4,432,326 employee options were granted in relation to the Long Term Incentive Plan implemented. These options have an exercise price of £0.043 and expire 10 years from the grant date.

The option vesting details are listed below:

Vesting Event	Trigger for Vesting	Number of options vested on date of vesting
1	50% of the Shares under Option shall Vest on the first anniversary of the Date of Grant;	50% of options issued
2	25% of the Shares under Option shall Vest	25% of options issued

	on the second anniversary of the Date of Grant; and	
3	the remaining number of the Shares under Option shall Vest on the third anniversary of the Date of Grant.	25% of options issued

12. Related party transactions

Equity issued to Directors & Director related entities

As a result of the Long Term Incentive Plan implemented during the Period the Directors and following employees were issued options as below:

Name	Role	Options
Alex Walker	Director	2,898,511
Anthony Eastman	Director	289,855
David Minchin	Director	289,855
Sandy Barblett	Director	289,855
Akmaral Niyazova	Employee	181,159
Saltanat Mukasheva	Employee	181,159
Zhanara Ismuratova	Employee	181,159
Ruslan Balykbayev	Employee	120,773

Provision of services

During the period, £30,241 was paid to Orana Corporate LLP for the provision of administrative and corporate accounting services of which £6,030 remains owing at 30 June 2023. Anthony Eastman is a Director of the Company and a partner of Orana Corporate LLP.

Other than these there were no other related party transactions.

13. Events subsequent to period end

There were no material events subsequent to period end that require disclosure.

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