RNS Number : 1119G
East Star Resources PLC
30 September 2024

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East Star Resources Plc

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

Half Year Report for the Six Months Ended 30 June 2024
- Company Update

East Star Resources Plc (LSE:EST), which is exploring for copper in Kazakhstan, is pleased to present its half year report for the six month period ended 30 June 2024.

Operational Highlights - 3 Geological Copper Strategies

VMS Copper - Rudny Altai Belt

- Announced in April 2024 the publication of a maiden JORC Inferred Mineral Resource for the Verkhuba Copper Deposit of 20.3Mt @ 1.16% copper, 1.54% zinc and 0.27% lead using a whole deposit cutoff grade of 0.86% copper equivalent
- Announced in April 2024 the initiation of a formal process following third-party interest including opening a data room for a potential joint venture, farm-out, or sale of Verkhuba
    - Further to the last update on 4 July 2024, while the Board continues discussions with interested parties, including recent new inbound interest, it has in addition determined that the Company can add significantly more value to the asset and attract additional partner and finance interest by advancing the resource, metallurgical test work, mine planning, and approvals, demonstrating its low cost development potential and so intends on progressing the project

Copper Porphyry - Balkash-Ili Volcanic Arc

- Announced in January 2024 a grant of US$0.5 million under the 2024 BHP Xplor programme to initiate a copper porphyry exploration strategy in Kazakhstan
    - Awarded first copper porphyry exploration licence (Ayagoz) in February 2024 - 79 km^2 tenement with a 3km long silica lithocap located ~80km north of the large Aktogay copper mine (~2.5Bt @ 0.39% copper)
    - Awarded second copper porphyry exploration licence (Snowy) in March 2024 -121 km^2 tenement, with a6km long and 3km wide silica lithocap, located ~150km north of the large Kounrad copper mine and smelter (~800Mt @ 0.62% copper and up to 0.76g/t gold)
        - §Conducted extensive soil sampling and spectral analysis of samples taken from both licences - analysis ongoing

Sediment-hosted Copper

- Announced in February 2024 a joint venture agreement with Getech Group Plc (AIM: GTC), a world-leading locator of subsurface resources, to explore for sediment-hosted copper deposits in Kazakhstan - analysis ongoing

Corporate Highlights

- Chris van Wijk, a geologist who developed the porphyry exploration strategy with East Star, joined the Board in January 2024 and became Technical Director in February 2024
- David Minchin stood down from his position as a Non-Executive Director in May 2024 due to his other business commitments

Sandy Barblett, Non-Executive Chairman, commented:

"Kicking off the year with an endorsement and grant from BHP Xplor was a major catalyst for the Company as we were one of only six successful selectees from more than 500 applications. We've grown bigger in terms of people and targets and undoubtably the Company's prospects have improved dramatically as a result of this programme. We're enormously grateful to BHP for the opportunity, their wisdom and their support. The Company now has a three-pronged copper strategy, pursuing infrastructure-led VMS deposits, as well as Tier 1 porphyry and sediment-hosted copper deposits. The Company has refined its focus to copper - a strategic transition metal which is facing a medium and long term supply deficit and is the subject of recent M&A actions by global majors. New sources of supply are urgently needed, and Kazakhstan is perfectly positioned to contribute. East Star has over the past couple of years positioned itself as a go-to explorer, with boots on the ground, for accessing this opportunity in Kazakhstan.

Activity in the first half was dominated by executing the BHP Xplor programme and its associated learnings, undertaking significant initial fieldwork on the porphyry licences, delivering a maiden JORC copper resource at Verkhuba and positioning the Company to capture the maximum value from that Verkhuba asset in due course.

Through the period, the Company continued regional exploration on the Rudny Altai VMS licences and conducted additional desktop work and geological field work on Verkhuba. We believe we can add significantly to the value of Verkhuba by increasing confidence in, and potentially growing, the resource, and understanding of the economics by conducting scoping and pre-feasibility studies.

Having been active in the field over the summer, our attention is turning to forthcoming high-impact drilling on new VMS targets in addition to further drilling at Verkhuba. Further success on this prolific belt with its existing infrastructure and low economic threshold would add more assets which are amenable to a 'quick-to-market' development at a time when copper is in high demand. We look forward to a busy second half of the year."

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About East Star Resources Plc

East Star Resources is focused on the discovery and development of copper and other strategic minerals required for the energy revolution. With eight licences covering >1,000 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. East Star's most advanced project is a copper deposit on the world-class Rudny Altai VMS Belt where the Company delivered a JORC compliant inferred resource of 20.3Mt @ 1.16% copper, 1.54% zinc and 0.27% lead close to infrastructure, within trucking distance of third-party mills with excess capacity. East Star's management are based permanently on the ground, supported by local expertise, and a joint venture with the state mining company on certain projects. In 2024, East Star was selected to receive grant funding through the BHP Xplor programme for copper porphyry exploration.

Visit our website:
www.eaststarplc.com

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www.eaststarplc.com/newsalerts

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

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR"). Upon the publication of this announcement, this inside information (as defined in UK MAR) is now considered to be in the public domain.

CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the half year report for the six months ended 30 June 2024 (the "Period").

During the Period, East Star continued to develop its strategy to unlock the copper potential of Kazakhstan, a metal which has soared in value due to looming supply shortages. The Company now has three copper exploration strategies in play:

- **Volcanogenic Massive Sulphide**("VMS") copper including the discovery of the Verkhuba Deposit with a maiden JORC Mineral Resource Estimate ("MRE") of 20.3Mt @ 1.16% copper, 1.54% zinc and 0.27% lead in an infrastructure-rich region, amenable to a low capex development
- **Copper porphyry**exploration (supported in the Period by BHP Xplor), targeting multiple opportunities to discover a tier 1 deposit
- **Sediment-hosted copper**through an initial targeting partnership with Getech at no cost to East Star

In the Board's opinion, your Company could not be targeting a better metal in a better country than copper in Kazakhstan at this time. The anticipated global supply deficit has slowed from recent investment bank predictions of a significant shortfall in 2024; however, the outlook remains extremely robust with demand vastly outstripping supply in the medium to long term. Majors are hunting for, and building, more copper exposure, and only new discoveries in viable jurisdictions can address this imbalance at scale. We believe Kazakhstan will be a leader among those emerging jurisdictions, with its vast mineral endowment, low operating costs, proximity to Europe and Asia, and supply relationships with the EU and UK.

East Star has over the past couple of years, accelerated by the BHP Xpor programme in the Period, positioned itself as a go-to explorer, with boots on the ground, for accessing this opportunity in Kazakhstan.

Review of Operations

VMS Copper

Verkhuba Copper Deposit

Having established the target from nearly 47,000 metres of historical drilling, followed by our own drilling in 2023, in March 2024, we were able to instruct independent experts, AMC Consultants, to produce a maiden JORC Inferred Mineral Resource Estimate ("MRE") for the Verkhuba Copper Deposit. This resulted in the publication in April 2024 of the MRE comprising 20.3Mt @ 1.16% copper, 1.54% zinc and 0.27% lead using a whole deposit cutoff grade of 0.86% copper equivalent. The publication of the MRE represented a significant milestone for East Star. In a little over a year and one exploration season, we had transformed a historical copper deposit into a large JORC Inferred Mineral Resource in an infrastructure-rich region. From that point, the Company became underpinned not only by its highly prospective exploration licences but by a significant critical metal asset in the ground with further upside potential. At over 20Mt, Verkhuba is already in the top third of this style of VMS deposit globally. With copper at around $9,000 per tonne and the prospect of a low capex development, we believe Verkhuba to hold considerable value.

Others shared our view and third-party interest in Verkhuba emerged in the Period, triggering our initiation of a formal process including the opening of a data room for a potential joint venture, farm-out, or sale of the deposit.

While companies remain in the data room, we believe we can add significantly to the value of Verkhubaby increasing confidence in, and potentially growing, the resource, and understanding of the economics by conducting scoping and pre-feasibility studies.

Although the process and some associated discussions remain ongoing, for now the Company remains the sole operator of the future work programme for 2024 to progress the open pit development concept through to a stage where economic feasibility can be demonstrated.

Other VMS Targets

Elsewhere on our Rudny Altai VMS belt licences, since the summer our exploration team, led by Exploration Manager Tremain Woods, has been helping better define our geology and refine numerous targets to a drillable number in a forthcoming programme. Multiple copper occurrences have been observed - all a short distance from the historical Nikolaevsky deposit (40Mt @ 2.4% copper, 3.2% zinc, and 1.1 g/t gold) - which are well served by infrastructure. Some 48 targets have been assessed and ranked, with high-impact drilling expected to occur on at least three new VMS targets this year in addition to further drilling at Verkhuba.

Copper Porphyry

Grant from BHP Xplor for Copper Porphyry Exploration on the Balkash-Ili Magmatic Arc

We were delighted to announce in January 2023 that East Star had been selected to receive a grant of US$0.5 million through the 2024 BHP Xplor programme to initiate a copper porphyry exploration strategy in Kazakhstan. We are extremely proud that BHP chose to work with East Star and provide non-dilutive grant funding to look for major new copper porphyry deposits in the region. Porphyry deposits are the primary deposit style for copper production globally and Kazakhstan is host to several exceptional but significantly underexplored regions that contain world-class copper porphyry mines.

In February 2024, we were awarded our first copper porphyry exploration licence (Ayagoz) a 79 km^2 tenement with a 3km long silica lithocap located ~80km north of the large Aktogay open pit copper mine (~2.5Bt @ 0.39% Cu).

In March 2024, we were awarded a second copper porphyry exploration licence (Snowy) - a 121 km^2 tenement with a 6km long and 3km wide silica lithocap, located ~150km north of the large Kounrad open pit copper mine and smelter (~800Mt @ 0.62% Cu and up to 0.76g/t Au). The licence shows historical soil anomalism indicating its potential prospectivity for a copper porphyry deposit.

During the Period, the Company undertook extensive soil sampling and spectral analysis of 2,800 samples taken from the Ayagoz and Snowy licences. We were really impressed with the speed and quality of the work our team and contractors had completed. When combined with the geochemistry results, we will have a detailed map of the area, inferring the depth of the porphyry target. The soils will also assist with the assessment of the historical artisanal gold mines around Snowy and their potential to contain larger epithermal gold deposits. The geochemical results from these two programmes will dictate the follow-on work programme and provide information that will assist in targeting throughout the rest of this proven mineral belt.

Sediment-Hosted Copper Exploration JV with Getech

In February 2024, we announced that we had entered into a joint venture agreement with Getech, a world-leading locator of subsurface resources, to explore for sediment-hosted copper deposits in Kazakhstan, which already hosts one of the world's largest such deposits in Dzhezkazgan (22Mt contained copper). The JV is being conducted through a wholly owned East Star subsidiary established specifically for this purpose. At no upfront cost to East Star, this play-type added a third geological strand to East Star's copper exploration strategy in addition to VMS and porphyry. The Getech partnership combines proprietary datasets and basin analysis capabilities with East Star's sediment-hosted copper exploration expertise and capabilities. The results of analysis are pending. Once completed, fieldwork will be undertaken by the Company before any initial licence applications are made.

Board Changes

Alongside the BHP Xplor grant, we were pleased to announce the appointment of Chris van Wijk initially as a Non-Executive Director and subsequently in February 2024 as the Technical Director of the Company. Mr van Wijk is an experienced geologist who specialises in project evaluation and project generation and developed the porphyry exploration strategy with East Star. He brings a wealth of relevant experience, including base metal and gold exploration in Africa, Europe, the Americas, and Australia as well as joint venture management and project evaluation for major mining companies including BHP, IAMGOLD, First Quantum Minerals and Fortescue Metals Group. Mr van Wijk's technical expertise is a valuable addition to our Board and exploration portfolio. He brings outstanding geological pedigree, particularly regarding sediment-hosted copper and porphyry exploration which, when paired with East Star's proven ability to efficiently and effectively execute exploration in Kazakhstan, will take the Company to the next level.

In May 2024, David Minchin decided not to stand for re-election as a Non-Executive Director of the Company at the Annual General Meeting ("AGM") due to his other business commitments. Accordingly, he retired as a director with effect from the AGM. East Star wishes to thank Mr Minchin for his valuable contribution over the last two years as the Company has listed on the London Stock Exchange and made significant progress as a copper explorer in Kazakhstan.

Key Financial Indicators

- Cash and cash equivalents at period end were £411,000
- Profit before taxation for the period was £9,000
- The Group held net assets at period end of £2,891,000

Outlook

Kicking off the year with an endorsement and grant from BHP Xplor was a major catalyst for the Company as we were one of only six successful selectees from more than 500 applications. We've grown bigger in terms of people and targets and undoubtably the Company's prospects have improved dramatically as a result of this programme. We're enormously grateful to BHP for the opportunity, their wisdom and their support.

Having been active in the field over the summer, our attention is turning to forthcoming high-impact drilling on new VMS targets. Further drilling is also expected to occur at Verkhuba as we progress the open pit development concept through to a stage where economic feasibility can be demonstrated as a precursor to a mining licence.

Further success on this prolific belt with its existing infrastructure and low economic threshold would add more assets which are amenable to a 'quick-to-market' development at a time when copper is in high demand. We look forward to a busy second half of the year.

Sandy Barblett

Non-Executive Chairman

30 September 2024

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024

	Note	Unaudited Period ending 30 June 2024 £'000	Unaudited Period ending 30 June 2023 £'000
Continuing Operations			
Administrative expenses	5	(385)	(260)
Other income	6	394	-
Operating profit / (loss)		**9**	**(260)**
Finance income		-	-
Profit / (loss) before taxation		**9**	**(260)**
Taxation		-	-
Profit / (loss) after taxation		**9**	**(260)**
Other comprehensive income		21	(60)
Total comprehensive profit / (loss) for the period		**30**	**(320)**
Basic & dilutive earnings per share - (£ pence)	7	0.004	(0.143)

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 2024

	Note	Unaudited As At 30 June 2024 £'000	Audited As At 31 December 2023 £'000	Unaudited As At 30 June 2023 £'000
NON-CURRENT ASSETS				
Exploration assets		2,431	2,149	2,543
Earn in advance (financial asset)		-	-	57
Property, plant and equipment		14	17	19
TOTAL NON-CURRENT ASSETS		**2,445**	**2,166**	**2,619**
CURRENT ASSETS				
Cash and cash equivalents		411	635	765
Trade and other receivables		104	127	180
TOTAL CURRENT ASSETS		515	**762**	945
TOTAL ASSETS		**2,960**	**2,928**	**3,564**
CURRENT LIABILITIES				
Trade and other payables		69	115	70
TOTAL CURRENT LIABILITIES		**69**	**115**	**70**
TOTAL LIABILITIES		**69**	**115**	**70**
NET ASSETS		**2,891**	**2,813**	**3,494**
EQUITY				
Share capital		2,196	2,187	1,823
Share premium		6,069	6,052	5,891
Share based payment reserve		329	307	270
Share capital to be issued		3,750	3,750	3,750
Foreign exchange reserve		52	31	6
Reverse acquisition reserve		(4,795)	(4,795)	(4,795)
Retained earnings		(4,710)	(4,719)	(3,451)
Non-controlling interest		(0.03)	(0.03)	(0.03)
TOTAL EQUITY		**2,891**	**2,813**	**3,494**

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 30 September 2024:

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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 2024

	Share Capital £'000	Share Premium £'000	SBP reserve £'000	Foreign exchange reserve £'000	Reverse acquisition reserve £'000	Sh Cap to is £'
Balance at 31 December 2022	**1,823**	**5,891**	**268**	**66**	**(4,795)**	**3,**
Loss for the period	-	-	-	-	-	
Other comprehensive income	-	-	-	(35)	-	
Total comprehensive expense for year	**-**	**-**	**-**	**(35)**	**-**	
Transactions with owners in own capacity						
Ordinary shares issued in the period	364	182	-	-	-	
Share issue costs	-	(21)	-	-	-	
Share based payments	-	-	39	-	-	
Transactions with owners in own capacity	364	161	39	-	-	
Balance at 31 December 2023	**2,187**	**6,052**	**307**	**31**	**(4,795)**	**3,**
Profit for the period	-	-	-	-	-	
Other comprehensive income	-	-	-	21	-	
Total comprehensive income for period	**-**	**-**	**-**	**21**	**-**	
Transactions with owners in own capacity						
Ordinary shares issued in the period	9	17	-	-	-	
Share based payments	-	-	22	-	-	
Transactions with owners in own capacity	9	17	22	-	-	
Balance at 30 June 2024	**2,196**	**6,069**	**329**	**52**	**(4,795)**	**3,**

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASHFLOWS
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024

	Unaudited 6 month period ended	Unaudited 6 month period ended

	30 June 2024 £'000	30 June 2023 £'000
Cash flow from operating activities		
Profit / (loss) before taxation for the period	9	(320)
Adjustments for:		
Depreciation	5	7
Share based payments	22	2
Foreign exchange	36	54
Changes in working capital:		
Decrease / (increase) in trade and other receivables	14	(102)
Increase / (decrease) in trade and other payables	(38)	(46)
Net cash outflow from operating activities	**48**	**(405)**
Cash flows from investing activities		
Investment in fixed assets	(2)	(1)
Spend on exploration assets	(300)	(275)
Net cash flow from investing activities	**(302)**	**(276)**
Cash flows from financing activities		
Proceeds from exercise of warrants	26	-
Net cash flow from financing activities	**26**	**-**
Net increase in cash and cash equivalents	**(228)**	**(681)**
Cash and cash equivalents at beginning of the period	635	1,456
Foreign exchange impact on cash	4	(10)
Cash and cash equivalents at end of the period	**411**	**765**

EAST STAR RESOURCES PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024

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 unaudited 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 do not include all disclosures that would otherwise be required in a complete set of financial statements but have been prepared in accordance with the existing accounting policies of the company.

The interim financial statements for the 6-month period from 1 January 2024 to 30 June 2024 are unaudited. Comparatives have been provided for the comparable period ending 30 June 2023.

The interim financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The accounting policies adopted are consistent with those applied in the Company's last audited annual financial statements ending 31 December 2023. and can be viewed on the Company's website (www.eaststarplc.com).

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 performance of the Group is not affected by seasonal factors and the risk factors applicable to the Group have not changed materially since the publication of the annual report and financial statements for the period ending 31 December 2023.

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 2024. 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 continue as a going concern and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's auditors included a material uncertainty related to going concern in the last annual report based on the ability of the Group to source additional funding in the 12 months from signoff of the annual report for 31 December 2023. The Directors are confident in the ability of the Group to satisfy this condition and hence continue to adopt the going concern basis in preparing these interim financial statements.

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

IntheapplicationoftheGroup'saccountingpolicies,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.

For the year ended 31 December 2023, the Directors made an assessment and concluded that it is appropriate to process impairment charges in the year specifically relating to licenses held within the joint venture agreement held with Phoenix Mining Limited in relation to the rare earths exploration. As this agreement was terminated the Directors believed it was necessary to impair the entirety of the investment.

During the current period, the Directors concluded that, since 31 December 2023, circumstances have not changed since then to indicate that there would be any impairment at 30 June 2024.

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	Kazakhstan	Total
	£'000	£'000	£'000
Administrative expenses	(225)	(160)	(385)
Other income	-	394	394
Operating loss from continued operations per reportable segment	**(225)**	**234**	**9**
Reportable segment assets	364	2,596	2,784
Reportable segment liabilities	(28)	(42)	(49)
Total	**336**	**2,554**	**2,891**

5. Administrative expenses

	Period ended 30 June 2024 £'000	Period ended 30 June 2023 £'000
Consultancy expense	(36)	(135)
Professional fees	(50)	(53)
Wages and salaries	(90)	(44)
Depreciation	(2)	(7)
Foreign exchange	(83)	36
Other administrative expenses	(124)	(57)
	(385)	**(260)**

6. Other income

Other income in the period of £394,000 relates to monies received from BHP under the 2024 BHP Xplor programme to initiate a copper porphyry exploration strategy in Kazakhstan.

	Period ended 30 June 2024 £'000	Period ended 30 June 2023 £'000
BHP Xplor program	394	-
	394	**-**

7. 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	Unaudited

	6 month period ended 30 June 2024	6 month period ended 30 June 2023
Net profit / (loss) for the period attributable to ordinary equity holders for continuing operations (£'000)	9	(260)
Weighted average number of ordinary shares in issue	219,517,164	182,250,164
Basic and diluted earnings per share for continuing operations (pence)	**0.004**	**(0.143)**

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.

8. Exploration & evaluation assets

	£'000
Opening balance - 1 July 2023	**2,543**
Exploration expenditure across licenses	613
Foreign exchange	(75)
Impairment on Licenses	(932)
As at 31 December 2023	**2,149**
Exploration expenditure across licenses	300
FX impact on additions	(18)
As at 30 June 2024	**2,431**

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.

9. Investment in subsidiaries

Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Discovery Ventures Kazakhstan Limited	Mineral exploration	Kazakhstan	Astana City, Yesil district, Sauran st., building 3/1, 717, Z05K6G, Kazakhstan	100%
Chu Ili Resources ltd*	Mineral exploration	Kazakhstan	Astana City, Yesil district, Sauran st., building 3/1, 717, Z05K6G , Kazakhstan	80%

Rudny Resources ltd*	Mineral exploration	Kazakhstan	Astana City, Yesil district, Sauran st., building 3/1, 717, Z05K6G, Kazakhstan	80%
Copperland Resources *	Mineral exploration	Kazakhstan	Astana City, Yesil district, Sauran st., building 3/1, 717, Z05K6G, Kazakhstan	100%
MVLKAZ Holdings Limited	Holding company	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%
MVLKAZ Limited **	Mineral exploration	Kazakhstan	Astana City, Yesil district, Sauran st., building 3/1, 717, Z05K6G, Kazakhstan	100%

** Subsidiaries held indirectly through Discovery Ventures Kazakhstan*

*** Subsidiary held directly through MVLKAZ Holdings Limited*

10. Share capital and share premium

	Ordinary Shares	Share Capital	Share Premium	Total
	#	£'000	£'000	£'000
As at 30 June 2023	**182,250,164**	**1,823**	**5,891**	**7,714**
Issue of ordinary shares	36,400,000	364	182	546
As at 31 December 2023	**218,650,164**	**2,187**	**6,052**	**8,239**
Shares issue upon exercise of warrants	867,000	9	17	26
As at 30 June 2024	**219,517,164**	**2,196**	**6,069**	**8,265**

11. 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 2024	307
Employee options - charge release for the period	22
As at 30 June 2024	**329**

Warrants

	As at 30 June 2024	
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2024	4.0p	45,213,505
Exercised in period	3.0p	(867,000)
Outstanding at 30 June 2024	3.4p	44,346,505
Exercisable at 30 June 2024	3.4p	44,346,505

Options

	As at 30 June 2024	
	Weighted average exercise price	**Number of options**
Brought forward at 1 January 2024	4.8p	14,934,500
Vested in period	4.3p	2,125,584
Outstanding at 30 June 2024	4.8p	14,934,500
Exercisable at 30 June 2024	4.6p	5,875,584

12. Related party transactions

Provision of services

During the period, £24,150 was paid to Orana Corporate LLP for the provision of administrative and corporate accounting services of which £3,630 remains owing at 30 June 2024. 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

Exercise of warrants

Subsequent to period end, the following Company receiving notification for the exercise of warrants over 333,333 new ordinary shares in the Company at an exercise price of 3 pence per share, providing the Company with proceeds of £16,500, the Company issued 333,333 ordinary shares.

Issue of performance shares to CEO

Additionally, pursuant to the achievement of the Mineral Resource Estimate performance threshold as announced on 8 July 2024, 75,000,000 Ordinary Shares were due to be issued to the vendors of Discovery Ventures Kazakhstan Limited (the "DVK Vendors") pursuant to the share purchase agreement with DVK Vendors, and as set out in the Company's Prospectus dated 14 December 2021.

On 15 July 2024, only the 31,874,202 Performance Shares due to Mr Walker, being a director and employee of the Company are to be issued with the balance of 43,125,798 to be issued at such time in the future when the Company has all necessary approvals to admit them to trading, which, inter-alia, is likely to require the publication of an approved Prospectus.

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