



Orogen Gold plc

Interim Report 2014

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Chairman and CEO's statement

Our focus in the first half of 2014 has been to follow-up on the impressive prior year results achieved at our Mutsk gold project in Armenia. Significant progress has been made this year with very encouraging results arising from our on-going drilling campaign. Mutsk is shaping up to be a significant new gold discovery.

Mutsk project, Armenia

Early in the 2014 fieldwork season we undertook a geophysical programme over the target area as prior drilling results had suggested that moderate to lower grade mineralisation at Mutsk could be more widespread and over greater widths than had been previously believed. We were very encouraged by the strength and extent of the anomalies identified.

In June we commenced a follow-up 3,000m drilling programme to test both the extent of the wider mineralised zone and the sources of the geophysical anomalies. This new phase of drilling has confirmed our earlier belief that we have made a substantial gold discovery at Mutsk. The previously reported high grade intercepts in vertical holes along the 2km Mutsk structure have been shown to be connected to much more substantial widths of hydrothermally altered gold-bearing rocks in step-out holes. Encouragingly, gold grades through these wide zones have increased in tenor as the drilling has moved northwards and include some higher grade intervals. Several wide gold-bearing intervals were encountered, such as 60m @ 1.21g/t Au in hole OG14-23, which included 10m @ 3.11g/t Au.

Deli Jovan project, Serbia

At Deli Jovan, Orogen was encouraged by the gold grades and widths encountered during the 2013 drilling programme but continuity of the gold-bearing veins proved more difficult to establish and further detailed infill drilling will be required to demonstrate continuity. Together with our partners on the project, a decision has been made to look for a new partner to advance the work on the Deli Jovan property and we are actively working towards that end.

Financial and Corporate Review

In order to maximise our resources and put as much of our funds as possible into work on the ground the Company has continued to keep a tight rein on corporate overheads. We signed an agreement with a Lebanese drilling company whereby Orogen secured the option of part payment for drilling in Orogen equity, reducing our cash cost for drilling by more than half. Shares issued under this agreement will be subject to a two-year lock-in.

At 30 June 2014 cash stood at £713,000 (31 December 2013: £1,208,000). The loss for the period amounted to £214,000 (6 months to 30 June 2013: £185,000). In September 2014, the Company raised £1,125,000 (before expenses) through the placing of 1,022,727,272 ordinary shares in the Company at a price of 0.11p per share.

In July 2014, Anthony Venus was appointed as a non-executive director. Anthony adds further deep sectoral and international experience to the Board, which will help support the Company's next phase of development.

Chairman and CEO's statement

Outlook

The drilling results reported from Mutsk confirm our belief in the project and the share placing announced post period-end provides the funding to continue testing the potential of this exciting discovery with the aim of initial resource delineation in 2015. We look forward to further positive news flow over the coming months.

ADAM REYNOLDS

Non-executive Chairman

ED SLOWEY

Chief Executive

15 September 2014

Consolidated statement of profit or loss and other comprehensive income
For the six months ended 30 June 2014

	Notes	Unaudited 6 months to 30 June 2014 £'000	Unaudited 6 months to 30 June 2013 £'000	Audited 12 months to 31 December 2013 £'000
Continuing operations				
Revenue		—	—	—
Operational costs		—	—	—
Gross loss		—	—	—
General and administrative		(219)	(197)	(493)
Share based payments		—	(1)	(1)
Impairment of exploration and evaluation assets		—	—	(3,702)
Group operating loss		(219)	(198)	(4,196)
Interest received		5	13	20
Loss on ordinary activities before taxation		(214)	(185)	(4,176)
Tax on loss on ordinary activities		—	—	—
Loss for the year from continuing operations		(214)	(185)	(4,176)
Attributable to:				
Equity holders of the parent		(211)	(184)	(4,175)
Non-controlling interests		(3)	(1)	(1)
Group loss for the period		(214)	(185)	(4,176)
Exchange translation differences		(2)	9	16
Total comprehensive loss for the period		(216)	(176)	(4,160)
Attributable to:				
Owners of the parent		(213)	(175)	(4,159)
Non-controlling interests		(3)	(1)	(1)
		(216)	(176)	(4,160)
Loss per share:				
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (pence)	3	(0.01)	(0.01)	(0.19)

Consolidated statement of financial position
As at 30 June 2014

	Notes	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Assets				
Non-current assets				
Exploration and evaluation assets	4	2,468	5,278	2,136
Property, plant and equipment		3	24	22
Total non-current assets		2,471	5,302	2,158
Current assets				
Trade and other receivables		47	58	82
Cash and cash equivalents	5	713	1,553	1,208
Total current assets		760	1,611	1,290
Total assets		3,231	6,913	3,448
Equity and liabilities				
Equity				
Share capital	6	3,057	2,841	3,057
Share premium	6	11,704	11,325	11,704
Other reserves		623	739	625
Retained earnings		(12,642)	(8,561)	(12,431)
Equity attributable to owners of the parent		2,742	6,344	2,955
Non-controlling interests		399	402	402
Total equity		3,141	6,746	3,357
Current liabilities				
Trade and other payables		90	167	91
Total current liabilities		90	167	91
Total liabilities		90	167	91
Total equity and liabilities		3,231	6,913	3,448

Consolidated cash flow statement
For the six months ended 30 June 2014

Notes	Unaudited 6 months to 30 June 2014 £'000	Unaudited 6 months to 30 June 2013 £'000	Audited 12 months to 31 December 2013 £'000
Cash flows from operating activities			
Group operating loss	(219)	(198)	(4,196)
Decrease in trade and other receivables	39	317	289
(Decrease)/increase in trade and other payables	(1)	88	14
Impairment of exploration and evaluation assets	—	—	3,702
Share based payments	—	1	1
Net cash flow from operating activities	(181)	208	(190)
Cash flow from investing activities			
Expenditure on exploration and evaluation assets and project earn-ins	(332)	(292)	(852)
Disposal of property, plant and equipment	13	—	—
Interest received	5	13	20
Net cash flow from investing activities	(314)	(279)	(832)
Cash flow from financing activities			
Net proceeds from issue of equity instruments	—	—	595
Net cash flow from financing activities	—	—	595
Net change in cash and cash equivalents	(495)	(71)	(427)
Net foreign exchange difference	—	3	14
Cash and cash equivalents at beginning of period	1,208	1,621	1,621
Cash and cash equivalents at end of period	5	1,553	1,208

Consolidated statement of changes in equity
For the six months ended 30 June 2014

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2013	2,841	11,325	712	(8,377)	17	6,518	403	6,921
Loss for the period	—	—	—	(184)	—	(184)	(1)	(185)
Share based payments	—	—	1	—	—	1	—	1
Foreign exchange translation reserve	—	—	—	—	9	9	—	9
Balance at 30 June 2013	2,841	11,325	713	(8,561)	26	6,344	402	6,746
Balance at 1 July 2013	2,841	11,325	713	(8,561)	26	6,344	402	6,746
Loss for the period	—	—	—	(3,991)	—	(3,991)	—	(3,991)
Issue of share capital	216	379	—	—	—	595	—	595
Share based payments	—	—	(121)	121	—	—	—	—
Foreign exchange translation reserve	—	—	—	—	7	7	—	7
Balance at 31 December 2013	3,057	11,704	592	(12,431)	33	2,955	402	3,357
Balance at 1 January 2014	3,057	11,704	592	(12,431)	33	2,955	402	3,357
Loss for the period	—	—	—	(211)	—	(211)	(3)	(214)
Foreign exchange translation reserve	—	—	—	—	(2)	(2)	—	(2)
Balance at 30 June 2014	3,057	11,704	592	(12,642)	31	2,742	399	3,141

Notes to the Interim Report

1 General information

Orogen Gold plc is a company incorporated and domiciled in England and Wales. Details of the registered office, the officers and advisers to the Company are presented on the Company information page at the end of this report. The Company's offices are in London and Dublin. The Company is quoted on the AIM market of the London Stock Exchange (ticker: ORE.L). The Company is focused on gold and minerals exploration in Europe. Exploration operations are based in Armenia (Mutsk project) and in Serbia (Deli Jovan project).

2 Basis of preparation

The financial information for the six months ended 30 June 2014 and 30 June 2013 is unaudited.

The Interim Report has been prepared using the same accounting policies as were applied in the Group's audited financial statements to 31 December 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The Directors consider that the financial information presented in this Interim Report represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS. The Interim Report for the six months ended 30 June 2014 was approved by the Directors on 15 September 2014.

The financial information presented for the period ended 31 December 2013 is an extraction from the Group's audited accounts on which the auditors issued an unqualified report. The information presented does not constitute full accounts for that period.

3 Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Loss after tax attributable to equity holders of the parent	(211)	(184)	(4,175)
Weighted average number of ordinary shares in issue ('000)	2,395,839	2,179,172	2,219,649
Basic and diluted loss per share (pence)	(0.01)	(0.01)	(0.19)

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. The share options outstanding as at 30 June 2014 totalled 225,000,000 (30 June 2013: 265,000,000, 31 December 2013: 225,000,000) and are potentially dilutive.

Notes to the Interim Report

4 Exploration and evaluation assets

	Armenia £'000	Serbia £'000	Total £'000
Cost			
At 1 January 2013	—	4,986	4,986
Additions	151	141	292
At 30 June 2013	151	5,127	5,278
Carrying value 30 June 2013	151	5,127	5,278
Cost			
At 1 July 2013	151	5,127	5,278
Additions	236	324	560
At 31 December 2013	387	5,451	5,838
Impairment			
At 1 July 2013	—	—	—
Impairment charge	—	3,702	3,702
At 31 December 2013	—	3,702	3,702
Carrying value 31 December 2013	387	1,749	2,136
Cost			
At 1 January 2014	387	5,451	5,838
Additions	283	49	332
At 30 June 2014	670	5,500	6,170
Impairment			
At 1 January 2014	—	3,702	3,702
Impairment charge	—	—	—
At 30 June 2014	—	3,702	3,702
Carrying value 30 June 2014	670	1,798	2,468

5 Cash and cash equivalents

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Cash at bank	713	1,553	1,208
Cash and cash equivalents	713	1,553	1,208

6 Share capital

	Ordinary shares of £0.001 each		Deferred shares of £0.009 each		Share premium £,000	Total consideration £,000
	Number	Nominal value £'000	Number	Nominal value £'000		
Authorised	5,000,000,000	5,000	73,599,817	662		
Allotted, called up and fully paid						
Balance at 1 January 2013 and 30 June 2013	2,179,172,453	2,179	73,599,817	662	11,325	14,166
Issue of new shares	216,666,667	216	—	—	379	595
Balance at 31 December 2013 and 30 June 2014	2,395,839,120	2,395	73,599,817	662	11,704	14,761

Notes to the Interim Report

On 24 October 2013, 216,666,667 new ordinary shares of £0.001 each were issued at £0.003 per share by way of share placing. The cash consideration received by the Company was £595,000.

7 Subsequent events

On 1 July 2014, the Company announced that it had entered into an agreement with DEM Geosciences SAL ("DEM), a Lebanese registered company, for the provision of diamond drilling services to the Company. The agreement is for up to 10,000 metres of drilling in 2014 and 2015 at a fixed price. The agreement includes part payment in ordinary equity to be issued for work completed at 0.2p per ordinary share. The total consideration is at an overall discount to the cost per metre of the Company's most recent drilling programmes.

On 8 September 2014, the Company announced an update on the drilling programme at the Mutsk gold project in Armenia. Step-out drilling confirmed the discovery of wide zones of gold mineralisation with intercepts up to 60m @ 1.21g/t Au, including 10m @ 3.11 g/t Au.

On 9 September 2014, the Company announced that it had conditionally placed 1,022,727,272 new ordinary shares of 0.1p with existing and new investors at a price of 0.11p per share, raising £1.125 million before costs.

8 Copy of the Interim Report

Copies of the Interim Report are available to download from the Company's website at www.rogengold.com.

Company Information

Website: <http://www.rogengold.com>

Registered office	Finsgate 5-7 Cranwood Street London EC1V 9EE
Registered number	5379931, England and Wales
Directors	Adam Reynolds – Non-executive Chairman Edward Slowey – Chief Executive Alan Mooney – Finance Director Michael Nolan – Non-executive Director Anthony Venus – Non-executive Director
Secretary	Ross Crockett
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Banker	Coutts & Co 440 Strand London EC3V 3ND Allied Irish Bank Ashford House Tara Street Dublin 2
Nominated advisor and joint broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Joint broker	Hume Capital Securities plc No. 1 Carey Lane London EC2V 8AE
Registrars	Capita Asset Services Limited The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors	BPE Solicitors LLP St. James' House St. James' Square Cheltenham GL50 3PR Mason Hayes+Curran South Bank House, Barrow Street Dublin 4