

**HUNTER RESOURCES PLC**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 JUNE 2015**

## REPORT OF THE EXECUTIVE CHAIRMAN

Dear Shareholder,

I am pleased to announce the results for Hunter Resources plc ('Hunter' or the 'Company') for the six months to 30 June 2015.

During the period the Hunter Resources plc group (the 'Group') has focussed on the geological exploration and community relations at its Pampamali site, while concurrently expanding its prospective area in Peru through the acquisition of the Prospero tenements. The Prospero project significantly expands the Group's landbank in Peru and provides opportunities to potentially share future facilities and infrastructure with Pampamali. In addition the Group, having renegotiated the terms of the Pampamali farm-in agreement, has exercised its option to acquire a controlling 51% interest in the project in an accelerated timeline and at a significantly lower cost.

### Prospero

As announced on 19 June 2015, and following further regional exploration in the Pampamali area, the Group acquired additional tenements covering 5,000 hectares near and to the north west of the Pampamali project within a prospective silver-gold-base metal belt. The location of these tenements can be seen on the Company's website at [www.hunter-resources.com](http://www.hunter-resources.com).

The acquisition of the Prospero tenements approximately doubles the size of the Group's mining tenements in the area and provides new geological targets over ground not previously subject to modern geological exploration.

The Prospero area is directly along strike of the Group's Pampamali project from which the trend of mineralisation continues into this new area. Preliminary mapping of the Prospero area by the Group's technical team identified prospective geological structures and quartz veining with associated hydrothermal activity and breccias. Numerous anomalies and prospect areas have been identified for further assessment.

Hunter has carried out geological mapping and sampling on Prospero and expects to be able to release the results from these, following completion of a full analysis and interpretation, in due course. We are working closely with the two local communities on the Prospero site who are supportive of the Group's plans.

### Pampamali

The Pampamali Project consists of 8 exploration concessions with a total area of 3,500 hectares and is located in central Peru in the Department of Huancavelica, approximately 550 km by road from the City of Lima. The Pampamali project is a potentially high grade gold, silver and base metal project, consisting of 36 mineralised veins identified to date from surface outcrops. Outcrops of between 100 and 2,000 metres in length exist with mineralised widths ranging from 0.20 to over 3.00 metres.

Various sampling exercises have been carried out at Pampamali with encouraging results announced in August and December 2014 and February 2015. As previously advised, we are continuing our negotiations with the communities in the Pampamali region to ensure that we have support on a wider basis.

As announced on 1 July 2015, and in accordance with the revised and improved terms of the Joint Venture Agreement (as announced on 8 April 2015, and defined in the Company's announcement of 9 June 2014) with the owners of the Pampamali Project, the Company exercised its option to acquire a 51% interest in the Pampamali Project (the 'Option'). This satisfied the first two AIM Rule 9 Conditions (as set out in the announcement of 3 July 2014) to which the Company was subject following its re-admission to AIM on 4 July 2014 and the 12 month period relating to the third AIM Rule 9 Condition commenced.

### Potential regional plan

As the Pampamali and Prospero tenements are close to each other and cover areas of a similar geological environment the Company is considering a potential plan to evaluate them as one project.

Exploring these two areas together would reduce costs and offer increased efficiencies. In the event that resources are eventually established in the area then mining and treatment could be carried out together with a single treatment plant that would provide a material reduction in both capital and operating costs.

### Other projects

We continue to look for new projects, both in Peru and in prospective areas in other countries.

### Financial Review

The Group's loss for the six months to 30 June 2015 was £95,000 (2014: loss of £160,000). The Group's net assets for the six months to 30 June 2015 were £694,000 (2014: net liabilities of £175,000) and cash balances for the six months to 30 June 2015 were £272,000 (2014: £373,000).

**Simon D Hunt**  
Executive Chairman  
23 September 2015



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		<b>6 months ended 30 June 2015 (Unaudited)</b>	6 months ended 30 June 2014 (Unaudited)	12 months ended 31 December 2014 (Audited)
	<b>Note</b>	<b>£'000</b>	£'000	£'000
Administrative expenses		(95)	(101)	(202)
Expenditure incurred in connection with the Re-admission of the Company's Ordinary Shares to AIM	2	-	(51)	(118)
Share based payments		-	-	(148)
Finance costs		-	(8)	(8)
<b>Loss before taxation</b>		<b>(95)</b>	<b>(160)</b>	<b>(476)</b>
Taxation		-	-	-
<b>LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(95)</b>	<b>(160)</b>	<b>(476)</b>
<b>LOSS PER SHARE</b>				
Basic and diluted loss per share – pence	3	<b>(0.07)</b>	(0.43)	(0.56)

All results derive from continuing operations. The loss and the total comprehensive loss for all periods presented are wholly attributable to equity holders of the parent Company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2015 (Unaudited)	30 June 2014 (Unaudited)	31 December 2014 (Audited)
	Note	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	4	436	45	353
		<u>436</u>	<u>45</u>	<u>353</u>
<b>Current Assets</b>				
Prepayments		11	118	13
Other receivables		25	32	25
Cash and cash equivalents		272	373	478
		<u>308</u>	<u>523</u>	<u>516</u>
<b>TOTAL ASSETS</b>		<u>744</u>	<u>568</u>	<u>869</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Convertible loan notes	5	-	176	-
Advances against equity subscriptions		-	364	-
Trade and other payables		50	203	80
		<u>50</u>	<u>743</u>	<u>80</u>
<b>TOTAL LIABILITIES</b>		<u>50</u>	<u>743</u>	<u>80</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>258</u>	<u>(220)</u>	<u>436</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u>694</u>	<u>(175)</u>	<u>789</u>
Share capital	6	2,170	1,216	2,170
Share premium		5,406	5,187	5,406
Convertible loan note reserve	5	-	10	-
Currency translation reserve		470	471	470
Accumulated losses		(7,352)	(7,059)	(7,257)
<b>EQUITY / (DEFICIT) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<u>694</u>	<u>(175)</u>	<u>789</u>

These Interim financial statements were approved by the Board of Directors and authorised for issue on 23 September 2015. Signed on behalf of the Board of Directors by:

Simon Hunt  
Director and Executive Chairman  
23 September 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £'000	Share premium £'000	Convertible loan note reserve £'000	Currency translation reserve £'000	Accumulated losses £'000	Total £'000
Balance at 1 January 2014 (Audited)		1,216	5,187	5	471	(6,899)	(20)
Total comprehensive loss for the period		-	-	-	-	(160)	(160)
Allocation of proceeds received from the issue of convertible loan notes	5	-	-	5	-	-	5
Balance at 30 June 2014 (Unaudited)		<b>1,216</b>	<b>5,187</b>	<b>10</b>	<b>471</b>	<b>(7,059)</b>	<b>(175)</b>
Total comprehensive loss for the period		-	-	-	(1)	(316)	(317)
Share based payments		-	93	-	-	108	201
Issue of Ordinary Shares		954	464	-	-	-	1,418
Expenses incurred in issuing Ordinary Shares		-	(338)	-	-	-	(338)
Transfer to accumulated loss on conversion of convertible loan notes	5	-	-	(10)	-	10	-
Balance at 31 December 2014 (Audited)		<b>2,170</b>	<b>5,406</b>	-	<b>470</b>	<b>(7,257)</b>	<b>789</b>
Total comprehensive loss for the period		-	-	-	-	(95)	(95)
<b>Balance as at 30 June 2015 (Unaudited)</b>		<b>2,170</b>	<b>5,406</b>	-	<b>470</b>	<b>(7,352)</b>	<b>694</b>

CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 June 2015 (Unaudited)	6 months ended 30 June 2014 (Unaudited)	12 months ended 31 December 2014 (Audited)
	£'000	£'000	£'000
<b>Cash flows from operating activities</b>			
Loss for the period	(95)	(160)	(476)
Adjustments for:			
Share based payments	-	-	148
Finance costs	-	8	8
Foreign exchange loss / (gain)	5	-	(7)
Operating cash flows before movements in working capital	(90)	(152)	(327)
Decrease / (increase) in receivables	3	(38)	(26)
(Decrease) / increase in trade and other payables	(31)	180	53
<b>Cash used in operating activities</b>	<b>(118)</b>	<b>(10)</b>	<b>(300)</b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets	(85)	(45)	(154)
<b>Net cash used in investing activities</b>	<b>(85)</b>	<b>(45)</b>	<b>(154)</b>
<b>Cash flows from financing activities</b>			
Advances against the Subscription of new Ordinary Shares completed in July 2014	-	364	-
Deferred issue expenses of new Ordinary Shares (issued in July 2014)	-	(98)	-
Proceeds from the issue of new Ordinary Shares	-	-	883
Issue expenses of new Ordinary Shares	-	-	(164)
Proceeds from the issue of convertible loan notes	5	148	190
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>414</b>	<b>909</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(203)</b>	<b>359</b>	<b>455</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3)	-	9
Cash and cash equivalents at the beginning of the period	478	14	14
<b>Cash and cash equivalents at the end of the period</b>	<b>272</b>	<b>373</b>	<b>478</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated and domiciled in the Isle of Man under the Companies Acts 1931 to 2004 with registered number 115011C. On 1 July 2014 the Company re-registered under the Companies Act 2006, with registered number 011261V.

The Interim financial statements, which are unaudited and have not been reviewed by the Company's auditor, have been prepared in accordance with the IFRS accounting policies adopted by the Group and set out in the 2014 Financial Statements. The Group does not anticipate any change in these accounting policies for the year ended 31 December 2015.

These Interim financial statements have been prepared to comply with the requirements of the AIM Rules. In preparing the Interim financial statements, the Group has adopted the guidance in the AIM Rules for interim accounts which do not require that the Interim financial statements are prepared in accordance with IAS 34, 'Interim financial reporting'. While the financial figures included in this report have been computed in accordance with IFRSs applicable to interim periods, this report does not contain sufficient information to constitute interim financial statements as that term is defined in IFRSs.

The financial information contained in this Interim report also does not constitute statutory accounts under the Isle of Man Companies Acts 1931 to 2004 or the Isle of Man Companies Act 2006. The financial information for the year ended 31 December 2014 is based on the 2014 Financial Statements. The auditors reported on those accounts. Their report was unqualified and did not include any statements of emphasis of matter.

These Interim financial statements have been prepared in accordance with the IFRS principles applicable to a going concern, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing these Interim financial statements, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

The Group's presentation currency is Great British Pounds ('£' or GBP) which is the functional currency of the Company and the currency of the country in which the Company's Ordinary Shares are listed on AIM. Except where otherwise noted, amounts are presented in this Interim report in rounded thousands of £'s.

### 2. EXPENDITURE INCURRED IN CONNECTION WITH THE RE-ADMISSION OF THE COMPANY'S ORDINARY SHARES TO AIM

The Company's Ordinary Shares were re-admitted to trading on AIM on 4 July 2014, following the acquisition of Gold Hunter and the Company securing funding of £925,000 (before issue expenses).

During the current period, the Group did not incur any expenditure in connection with the Re-admission. During the 12 months ended 31 December 2014 the Company incurred expenditure of £345,000 (H1-2014: £149,000) in connection with the Re-admission (excluding commissions related directly to the funds raised), principally comprising legal, geological, reporting accountants, corporate finance and other related fees and expenses. As required by IFRS, this expenditure was allocated pro-rata to the issue of new Ordinary Shares under the July 2014 Funding, and the re-admission of the Ordinary Shares in issue immediately preceding the July 2014 Funding. Accordingly, £118,000 (H1-2015: £51,000) was expensed to profit and loss and £227,000 (H1-2014: £98,000) was recorded within the Share Premium account (recorded within prepayments and subsequently transferred to the Share Premium account on Re-admission during H2-2014).

### 3. LOSS PER ORDINARY SHARE

There is no difference between the diluted loss per share and the basic loss per share presented as the Group is loss making in all periods presented and the convertible loan notes (refer to note 5) were anti-dilutive in comparative periods.

The calculation of basic and diluted loss per share is based on the following data:

	<b>6 months ended 30 June 2015 (Unaudited)</b>	6 months ended 30 June 2014 (Unaudited)	12 months ended 31 December 2014 (Audited)
Loss for the period - £'000	<b>(95)</b>	(160)	(476)
Weighted average number of Ordinary Shares	<b>133,195,035</b>	37,729,678	84,800,486
Basic and diluted loss per Ordinary Share – pence	<b>(0.07)</b>	(0.43)	(0.56)



#### 4. EXPLORATION AND EVALUATION ASSETS

	Intangible assets £'000
<b>COST AND NET BOOK VALUE</b>	
At 1 January 2014 (audited)	-
Additions	45
At 30 June 2014 (unaudited)	45
Additions	308
At 31 December 2014 (audited)	353
Additions	85
Foreign exchange gain / (loss)	(2)
<b>At 30 June 2015 (unaudited)</b>	<b>436</b>

Exploration and evaluation assets comprise the Group's initial investments to participate in exploration and evaluation projects, including the Pampamali Project and the Prospero Project, related legal and other expenditure, and expenditure incurred by the Group in the initial exploration and evaluation of the resource at these projects. Initial exploration and evaluation expenditure includes, *inter alia*, the initial geological assessment and environmental impact assessment of the project, geological analysis, drilling, trenching, sample analysis and similar expenditure.

Expenditure incurred in the Group's general administrative activities in Peru is expensed to profit and loss as incurred.

#### 5. CONVERTIBLE LOAN NOTES

The following summarises the movements in the convertible loan notes liability and equity components during the preceding periods:

	Liability £'000	Equity £'000	Total £'000
At 1 January 2014 (audited)	26	5	31
Initial measurement	143	5	148
Interest charge	8	-	8
Foreign exchange gain	(1)	-	(1)
At 30 June 2014 (unaudited)	176	10	186
Initial measurement	42	-	42
Interest transferred to accruals upon conversion	(4)	-	(4)
Conversion of loan notes	(215)	(10)	(225)
Foreign exchange gain	1	-	1
<b>At 31 December 2014 (audited) and 30 June 2015 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Details on the convertible loan notes are provided in the 2014 Financial Statements.

#### 6. SHARE CAPITAL AND SHARE PREMIUM

##### 6.1. Authorised share capital and rights attaching to shares

The authorised share capital of the Company is comprised of the following at all balance sheet dates presented:

	No.	£
Ordinary Shares of £0.01 each	300,000,000	3,000,000
Deferred Shares of £0.09 each	20,000,000	1,800,000
	<b>320,000,000</b>	<b>4,800,000</b>

The Company's Ordinary Shares carry no right to fixed income. Each Ordinary Share carries the right to one vote at the general meetings of the Company. The Company's Deferred Shares do not carry voting rights or a right to receive a dividend. The holders of Deferred Shares do not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. In addition, holders of Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of Ordinary Shares has received a payment of £100,000 in respect of each Ordinary Share. Accordingly, the Deferred Shares have no economic value. The Deferred Shares are not admitted to trading on any stock exchange.

**6.2. Shares in issue**

Between 1 January 2014 and the date of this report, the Company has issued the following new Ordinary Shares of £0.01:

	<u>No.</u>
Ordinary Shares in issue at 1 January 2014 and 30 June 2014	37,729,678
New Ordinary Shares issued in July 2014:	
Subscription	36,408,467
Placing	22,472,133
Conversion of loan notes (note 5)	15,223,601
Acquisition of Gold Hunter	13,277,838
Commission and other Re-admission fees settled in Ordinary Shares	8,083,318
<b>Ordinary Shares in issue at 31 December 2014 and 30 June 2015</b>	<b><u>133,195,035</u></b>

No new Ordinary Shares were issued in the 6 month period ended 30 June 2015. Further details on the new Ordinary Shares issued during the year ended 31 December 2014 are provided in note 17 to the 2014 Financial Statements.

**7. ULTIMATE CONTROLLING PARTY**

As at the date of this report, the Directors are of the opinion that there is no ultimate controlling party of the Company.

## TERMS USED IN THIS REPORT

<b>'2014 Financial Statements'</b>	the Group and Company audited financial statements for the year ended 31 December 2014 available at the Company's website, <a href="http://www.hunter-resources.com">www.hunter-resources.com</a> ;
<b>'AIM'</b>	the market of that name operated by the London Stock Exchange;
<b>'AIM Rules'</b>	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published and amended from time to time by the London Stock Exchange;
<b>'Board' or 'Directors'</b>	the directors of the Company;
<b>'Company' or 'Hunter'</b>	Hunter Resources plc;
<b>'Deferred Shares'</b>	Deferred shares of £0.09 each in the share capital of the Company;
<b>'Gold Hunter'</b>	Gold Hunter S.A.C., a company incorporated in Peru with certificate number 13164856;
<b>'Group'</b>	the Company and its subsidiary undertakings;
<b>'H1-2015'</b>	the six month period ended 30 June 2015;
<b>'H2-2014'</b>	the six month period ended 31 December 2014;
<b>'Interim financial statements'</b>	the condensed consolidated financial statements of the Group for the six months ended 30 June 2015;
<b>'Interim report'</b>	the Interim financial statements, collectively with the Report of the Executive Chairman;
<b>'Ordinary Shares'</b>	ordinary shares of £0.01 each in the share capital of the Company;
<b>'Pampamali Project'</b>	the 8 Pampamali mineral exploration concessions located in central Peru in the department of Huancavelica;
<b>'Propsero Project'</b>	tenements comprising 5,000 hectares to the North West of the Pampamali Project;
<b>'Re-admission'</b>	re-admission of the Company's Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules, on 4 July 2014;
<b>'Shareholders'</b>	holders of the Company's Ordinary Shares and / or Deferred Shares.