30 September 2015

INTERIM RESULTS FOR THE SIX MONTHS TO 30 JUNE 2015

Zanaga Iron Ore Company Limited ("ZIOC" or the "Company") (AIM: ZIOC) is pleased to announce its unaudited interim results for the six months ended 30 June 2015.

Highlights

- Zanaga Project work programme and budget agreed to December 2015
  - Designed to progress the Zanaga Project towards development and financing at minimum cost
  - Power, Port and Permitting workstreams underway as priority items
- Cost reductions implemented at the Zanaga Project (the “Project”), as well as across ZIOC's corporate costs, to align the cost base with current market conditions
- Cash balance of US$9.7m as at 30 June 2015

Clifford Elphick, Non-Executive Chairman of ZIOC, commented:

“During the first half of 2015 iron ore markets were subjected to significant volatility. The Zanaga Project team responded rapidly by reducing the cost base of the project and placing the Project into a position whereby it is progressing along a positive path, but without the burden of substantial costs.

The substantial fall in iron ore prices has been driven by general market apprehension, resulting from the slowdown in the Chinese economy, and concurrent large scale supply expansions from the major iron ore producers. This has been partially offset by the closure of numerous high cost iron ore mining operations globally.

At the same time, a number of positive developments have provided relief to many miners. Reductions in operating costs have been achieved through lower freight rates and oil prices, while weaker domestic operating currencies have reduced overall input costs in US dollar terms. In addition, high quality iron ore products have been the beneficiaries of increased price premiums. The net result is that the competitive landscape for iron ore has shifted, with higher quality iron ore producers being positioned more favourably versus lower quality producers, resulting in major changes to cash margins across the peer group.

Importantly, the Project continues to remain well-positioned in the iron ore industry as a project capable of delivering a high quality, premium-priced, iron ore product that has commanded pricing levels significantly higher than Platts 62% sinter, at very low operating cost. This critical combination provides the ability of the Project, even in a low iron ore price environment, to compete with the major iron ore producers on the basis of ‘cash margin per tonne’, and is key to the Project’s investment case. As a result, we are increasingly confident that the Zanaga Project is aligned with the industry’s trends on product type, quality and pricing.

While financing remains difficult today we believe that Zanaga will be at the forefront of development opportunities when markets stabilise.”

Copies of the unaudited interim results for the six months ended 30 June 2015 are available on the Company's website at www.zanagairon.com.

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About us:

Zanaga Iron Ore Company Limited (AIM ticker: ZIOC) is the owner of 50% less one share in the Zanaga Iron Ore Project based in the Republic of Congo (Congo Brazzaville) through its joint venture partnership with Glencore. The Zanaga Iron Ore Project is one of the largest iron ore deposits in Africa and has the potential to become a world-class iron ore producer.

Business Review - Operations

Cost Reduction Programme, Cash Reserves and Project Funding

In recognition of the current iron ore price environment, a cost reduction process took place at the Zanaga Project to allow the Project to progress with a lower cost base. These cost reduction processes have been implemented and we are pleased that the project team is confident of its ability to progress the Project through the next phase of development.

Glencore and ZIOC agreed a work programme and budget for the Project of US$8.8m for 2015. ZIOC agreed to contribute towards funding the work programme consisting of a fixed sum of US$ 2.5m plus an amount equal to 50% of the Management Team costs (total Management Team costs are estimated to be $0.9m of the US$8.8m budget). In addition, where there are overall savings to the budgeted figure beyond US$0.5m, ZIOC is entitled to share 50/50 in any such savings. Ignoring any entitlement to savings, ZIOC’s potential contribution to the Project in 2015 is expected to be US$2.95m in total.

Separately, ZIOC has taken steps to reduce corporate overheads. A number of areas were identified where savings could be achieved and a cost reduction plan has been completed, with the Company now better positioned to weather the current cycle. As part of this overall process, we have also undertaken a streamlining of the ZIOC board with Dave Elzas, Colin Harris and Alistair Franklin retiring at the AGM on 22 July 2015. The Company will continue to review its board composition and will seek to enlarge the board once the level of operational activity justifies the additional cost.

Following the reduction of the cost base at the Zanaga Project, as well as the costs associated with the management of ZIOC, we are now well positioned to support our operations going forward. As at 30 June 2015, we had cash reserves of US$9.7m and continue to be prudent with our cash.

Mining Convention for the Zanaga Project

In August 2014, the Mining Licence was issued and the Mining Convention was signed by the Republic of Congo. These were significant milestones for the Zanaga Project and are demonstrative of the Government of the Republic of Congo’s firm commitment to developing the country’s mining sector and testament to the Project’s strong stakeholder relations.

The Mining Convention covers the proposed staged development of the Zanaga Project and sets out the fiscal and legal terms with respect to the construction and operation of the Zanaga Project pursuant to its Mining Licence.

Following signature of the Mining Convention, formal ratification is required by the Parliament of the Republic of Congo (the "RoC"). The Zanaga Project team has been actively engaging with the relevant departments of the Government of the RoC to ensure this process progresses accordingly, and we are monitoring the stages through which the Mining Convention moves towards formal ratification.

The Project team is confident that the ratification of the Mining Convention will be forthcoming in the near future and shareholders will be kept updated on the progress of this necessary step.

Environmental Permit

The Social and Environmental Impact Assessment for the exploitation phase of the Zanaga project was transmitted to the RoC in April 2014, and a number of subsequent discussions have taken place between the Project Team and the Ministry of Environment in order to validate this Assessment. The Project team is confident that the validation of the SEIA will be forthcoming in the near future and shareholders will be kept updated on the progress of this necessary step.

Power solution programme

ZIOC and Glencore commenced a process to ensure that the Project has a fit for purpose power solution in place in order to support the Project's initial 100MW Stage One power requirement (Note: Power requirements for Stage Two have been nominally designed to align with development of the RoC's power expansion plans, of which numerous attractive projects appear to be advancing towards development). For Stage One, a process has been commenced whereby a number of Power developers, with both transmission and generation capabilities, have been approached to assess options to work alongside the Zanaga Project team in securing the correct power transmission and access solution for the initial development phase of the Project. We look forward to updating shareholders on the progress of this work programme in H1 2016.

Iron Ore Market

The iron ore market continues to be subject to sustained price weakness, with benchmark iron ore prices currently trading around U$50-55/t. As a result, ZIOC expects the iron ore industry's marginal producers to continue to experience substantial pressure, which has the potential to be exacerbated by further supply expansions entering the system in the remainder of the year, further reducing short-term iron ore prices. This new supply is the result of a number of large scale projects completing their construction phases - projects which were approved for development during periods of higher prices. This expansion of supply has to some extent been offset by some producers reducing output or suspending production altogether. The impact of lower freight rates, lower oil prices and weaker foreign exchange rates (lowering operating costs in US dollar terms) has provided some relief to a number of producers as they attempt to ride out current weak iron ore pricing conditions.

Regarding the demand for iron ore, China continues to produce high levels of steel and consume record levels of iron ore. However the slowing rate of economic growth, and impact of tighter pollution controls on steel mills, is slowing the pace of demand from the world's largest consumer, while simultaneously reshaping the product demand spectrum towards higher quality lump and pellet feed iron ore. In addition, the reduction in the Renmimbi/US Dollar exchange rate is expected to lead to further exports of Chinese steel, thereby supporting China's record levels of steel production.

As a result of these movements in supply and demand, the level at which price equilibrium is reached is difficult to predict. Too much of the industry is operating either at a loss or at unsatisfactory financial margins to sustain production at today's low prices, and the expectation is that there will be an increasing rate of mine closures which will serve to some degree to offset supply expansions. At the same time, there is emerging a clear focus on identifying and accessing higher grade lump or pellet feed iron ore product which have, and continue to command, prices 25% above Platts 62% sinter. Once industry adjustments are complete, we expect that iron ore prices will settle at a sustainable equilibrium, although the timing of this is difficult to forecast.

Importantly, the combination of Zanaga's competitive operating costs and high quality pellet feed iron ore product, which is expected to attract a premium price, should allow the Project to remain attractive in this evolving iron ore market. This critical attribute is expected to make the Project an attractive development opportunity once a new sustainable iron ore price equilibrium is established.

The Zanaga Project's forecast competitive operating costs and premium quality product are expected to deliver high profit margins even in a low iron ore price environment. This differentiates the Project as an attractive investment opportunity even at today's iron ore prices. The Zanaga Project is expected to be able to compete, on a benchmark 62% iron ore price equivalent basis, with some of the lowest cost mining operations in Australia and Brazil, making it attractive when compared to competitor projects globally.

Outlook

During the current period of price weakness and price volatility in the iron ore market, ZIOC and Glencore have chosen to continue to progress a number of key preliminary value-adding activities on the Project. These are important preparatory steps that will place the Project in a position to seek financing once market conditions stabilise and become more favourable.

The value adding activities which are being progressed include the establishment of port and power agreements, issue of the environmental permit, and ratification of the signed Zanaga Mining Convention by the parliament of the RoC. The Company and Glencore continue to work closely with the RoC's government on the conclusion of these workstreams and are pleased to say that the Project continues to enjoy strong support.

The Project is now underpinned by a large, well-defined, resource and a Feasibility Study that demonstrates robust economics. The Project has also been substantially derisked through the receipt of a Mining Licence, and in addition the signature of the Project's Mining Convention.

However, as mentioned above, developments in the global iron ore market have affected and continue to affect the raising of finance for the development of the Project. Once market conditions stabilise and become more favourable, it is our belief that the Zanaga Project is likely to be in a good position to compete for attracting the finance which is needed to enable the Project to be developed.

Financial review

Results from operations

The financial statements contain the results for ZIOC for the first half of 2015. ZIOC made a loss in the half-year of US$4.3m compared to a loss of US$171.1m in the year to 31 December 2014. The loss for the 2015 half-year period comprised:

	1 January to 30 June 2015 Unaudited US$000	1 January to 30 June 2014 Unaudited US$000	1 January to 31 December 2014 Audited US$000
General expenses	**(1,191)**	(1,933)	(3,531)
Net foreign exchange profit/(loss)	**49**	515	(747)
Share-based payments	**(159)**	(168)	(1,251)
Change in investment carrying value from gain on dilution of shares	**-**	45,521	45,521
Share of (loss)/profit of associate	**(2,665)**	(72)	(94,731)
Impairment of investment in Associate	**-**	-	(110,082)
Interest income	**15**	28	51
(Loss)/Gain before tax	**(3,951)**	43,891	(164,770)
Tax	**(11)**	(22)	(42)
Currency translation	**(16)**	(8)	(38)
Share of other comprehensive (loss)/income of associate – foreign exchange	**(358)**	(156)	(6,221)
Total Comprehensive (Loss)/Gain	**(4,336)**	43,705	(171,071)

General expenses of US$1.2m (2014: US$1.9m) consists of staff costs of US$0.5m (2014: US$0.5m), Directors' fees of US$0.3m (2014: US$0.3m), professional fees of US$0.1m (2014: US$0.6m) and US$0.3m (2014: US$0.5m) of other general operating expenses.

The share-based payment charges reflect the expense associated with share options granted in previous years.

The share of loss of associate of US$2.7m (2014: US$0.1m) relates to ZIOC's investment in Jumelles Limited ("Jumelles"), the joint venture company in respect of the Zanaga Project. From May 2014, as a result of the completion of the FS and thus consideration to complete the Glencore share option, only 50% (less one share) of the Jumelles results are now included above.

During the half year period, Jumelles' project expenditure was US$6.0m, including the effects of currency translation of $0.7m loss. Capitalised exploration assets however, remain at US$100.0m.

Financial position

ZIOC's net asset value ("NAV") of US$58.1m is comprised of a US$48.4m investment in Jumelles and US$9.7m of cash balances.

	30 June 2015 Unaudited US$m	30 June 2014 Unaudited US$m	31 December 2014 Audited US$m
Investment in associate	**48.4**	258.8	50.0
Fixed assets	**-**	-	-
Cash	**9.7**	17.6	12.5
Other net current liabilities	**-**	(0.4)	(0.2)
Net assets	**58.1**	276.0	62.3

Cost of investment

The investment in associate relates to the carrying value of the investment in Jumelles, which as at 30 June 2015 owned 50% less one share of the Project. The carrying value of this investment has decreased by US$1.6m in 2015 due to:

- Company funding per the Supplemental Agreements of US$1.4m
- The Company's US$3.0m share of the comprehensive loss US$ 6.0m made by Jumelles during the half-year.

As at 30 June 2015, Jumelles had aggregated assets of US$106.1m (June 2014: US$307.6m) and aggregated liabilities of US$3.4m (June 2014: US$5.6m). Non-current assets consisted of US$100.0m (June 2014: US$294.1m) of capitalised exploration assets and US$3.2m (June 2014: US$8.1m) of other fixed assets including property, plant and equipment. Cash balances totalled US$2.7m (June 2014: US$4.4m) and other current assets were US$0.2m (June 2014: US$1.0m).

Cash flow

Cash balances have decreased by US$2.8m since 31 December 2014. Additional investment in Jumelles required under Supplemental Agreements (details set out in note 1 to the financial statements) utilised US$1.5m, operating activities US$1.25m, and foreign exchange gains were US$0.05m as the value of UK Sterling strengthened against the US Dollar, thus increasing the US Dollar value of the UK Sterling denominated cash balances.

	30 June 2015 Unaudited	30 June 2014 Unaudited	31 December 2014 Audited
GBP Balances	**6.2**	9.0	7.9
	US$000	US$000	US$000
USD value of GBP balances	**9.7**	15.4	12.3
USD value of other currencies	**-**	-	-
USD balances	**-**	2.2	0.2
Cash Total	**9.7**	17.6	12.5

Statement of Comprehensive Income

for the six months ended 30 June 2015

	Note	**1 January to 30 June 2015 Unaudited US$000**	1 January to 30 June 2014 Unaudited US$000	1 January to 31 December 2014 Audited US$000
Administrative expenses		**(1,301)**	(1,586)	(5,529)
Share of (loss)/profit associate		**(2,665)**	(72)	(94,731)
Operating loss		**(3,966)**	(1,658)	(100,260)
Interest Income		**15**	28	51
Change in investment carrying value from gain on dilution of shares		**-**	45,521	45,521
Impairment of investment in Associate		**-**	-	(110,082)
(Loss)/Gain before tax		**(3,951)**	43,891	(164,770)
Taxation	5	**(11)**	(22)	(42)
(Loss)/Gain for the period		**(3,962)**	43,869	(164,812)
Foreign exchange translation – foreign operations		**(16)**	(8)	(38)
Share of other comprehensive (loss)/income of associate – foreign exchange translation		**(358)**	(156)	(6,221)
Other comprehensive loss		**(374)**	(164)	(6,259)
Total comprehensive (loss)/gain		**(4,336)**	43,705	(171,071)
(Loss)/Earningsper share (Cents)				
Basic	7	**(1.4)**	32.2	(60.0)
Diluted	7	**(1.4)**	31.8	(60.0)

The gain for the period is attributable to the equity holders of the parent company. All other comprehensive income may be classified as profit and loss in the future.

Statement of changes in equity

for the six months ended 30 June 2015

	Share capital US$000	Retained earnings US$000	Foreign currency translation reserve US$000	Total equity US$000
Balance at 1 January 2014	265,434	(42,282)	8,977	232,129
Consideration for share-based payments - other services	168	-	-	168
Share buy backs	-	-	-	-
Gain for the period	-	43,869	-	43,869
Other comprehensive (loss)/ income	-	-	(164)	(164)
Total comprehensive (loss)/income	-	43,869	(164)	43,705
Balance at 30 June 2014	**265,602**	**1,587**	**8,813**	**276,002**
Consideration for share-based payments - other services	1,083	-	-	1,083
Share buy backs	-	-	-	-
Loss for the period	-	(208,681)	-	(208,681)
Other comprehensive (loss)/income	-	-	(6,095)	(6,095)
Total comprehensive loss	-	(208,681)	(6,095)	(214,776)
Balance at 31 December 2014	**266,685**	**(207,094)**	**2,718**	**62,309**
Consideration for share-based payments - other services	159	-	-	159
Share buy backs	-	-	-	-
Loss for the period	-	(3,962)	-	(3,962)
Other comprehensive (loss)/income	-	-	(374)	(374)
Total comprehensive loss	-	(3,962)	(374)	(4,336)
Balance at 30 June 2015	**266,844**	**(211,056)**	**2,344**	**58,132**

Balance sheet

as at 30 June 2015

	Note	**30 June 2015 Unaudited US$000**	30 June 2014 Unaudited US$000	31 December 2014 Audited US$000
Non-current asset				
Property, plant and equipment		**5**	30	8
Investment in associate	6	**48,427**	258,806	50,000
		48,432	258,836	50,008
Current assets				
Other receivables		**149**	79	170
Cash and cash equivalents		**9,728**	17,631	12,480
		9,877	17,710	12,650
Total Assets		**58,309**	276,546	62,658
Current liabilities				
Trade and other payables		**(177)**	(544)	(349)
Net assets		**58,132**	276,002	62,309
Equity attributable to equity holders of the parent				
Share capital		**266,844**	265,602	266,685
Retained earnings		**(211,056)**	1,587	(207,094)
Foreign currency translation reserve		**2,344**	8,813	2,718
Total equity		**58,132**	276,002	62,309

These financial statements set out on pages 8 to 15 were approved by the Board of Directors on 29 September 2015.

Cash flow statement

for the six months ended 30 June 2015

	1 January to 30 June 2015 Unaudited US$000	1 January to 30 June 2014 Unaudited US$000	1 January to 31 Dec 2014 Audited US$000
Cash flows from operating activities			
Total comprehensive (loss)/income for the period	**(4,336)**	43,705	(171,071)
Adjustments for:			
Depreciation	**3**	36	57
Interest received	**(15)**	(28)	(51)
Taxation expense	**11**	22	42
Decrease in other receivables	**21**	82	(5)
Decrease in trade and other payables	**(152)**	(85)	(238)
Net exchange (profit)/loss	**(49)**	(515)	747
Gain on part sale of associate	**-**	(45,521)	(45,521)
Share of loss/(profit) of associate	**3,023**	228	100,952
Impairment to share of investment in associate	**-**	-	110,082
Share-based payments	**159**	168	1,251
Tax paid	**(11)**	-	(55)
Net cash from operating activities	**(1,346)**	(1,908)	(3,810)
Cash flows from financing activities			
Repurchase of own shares	**-**	-	-
Net cash from financing activities	**-**	-	-
Cash flows from investing activities			
Interest received	**15**	28	51
Acquisition of property, plant and equipment	**-**	-	(3)
Investment in associate	**(1,450)**	(5,000)	(7,000)
Net cash from investing activities	**(1,435)**	(4,972)	(6,952)
Net decrease in cash and cash equivalents	**(2,781)**	(6,880)	(10,762)
Cash and cash equivalents at beginning of period	**12,480**	24,009	24,009
Effect of exchange rate difference	**29**	502	(767)
Cash and cash equivalents at end of period	**9,728**	17,631	12,480

Notes to the financial statements

1. Business information and going concern basis of preparation

In common with many exploration and development companies in the mining sector, the Company raises funding in phases as its projects develop.

Following completion of the FS in April 2014, modified to a staged development basis under the terms of the Supplemental Agreement announced on 13 September 2013, the consideration for the Call Option whereby Glencore owns 50% plus one share shareholding in the project, is now satisfied. The Mining Licence was granted in August 2014 and a Mining Convention was signed with the Government of the republic of Congo. An agreed addendum to the Supplemental Agreement extended the post-FS work programme to 31 December 2015. In December 2014 the Company completed its US$17m contribution towards funding post FS work programme to the end of 2014, and at 30 June 2015, has contributed US$1.4m towards the work programme to the end of 2015. The Company's funding obligations for the 2015 work programme and budget are a total for the year of US$2.5m, plus a share of managements team costs, estimated at US$0.9m within a US$8.8m total. The directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For these reasons, the financial statements of the Company have been prepared on a going concern basis.

Together with Glencore, the Company is jointly exploring funding options with a view to attracting third party debt and equity financing for project implementation.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3. Basis of preparation

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

In accordance with the AIM Rules for Companies, the condensed set of financial statements has been prepared in applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2014. The comparative figures for the financial year ended 31 December 2014 are not the Company's statutory accounts for that financial year. The 2014 accounts have been reported on by the Company's auditors. The report of the auditors was (i) unqualified and (ii) did not include a reference to any matter to which the auditors drew attention by way of emphasis without qualifying their report.

Up until April 2014, the company accounted for 100% of the Jumelles group Comprehensive Income. From May 2014, as a result of completion of the FS (note 1 above) and thus consideration to complete the Call Option, the Company has accounted for 50% less one share shareholding portion of that Comprehensive Income.

4. Segmental reporting

The Company has one operating segment, being its investment in the Zanaga Project, held through Jumelles. Financial information regarding this segment is provided in note 6.

5. Taxation

The Company is exempt from most forms of taxation in the British Virgin Islands (“BVI”), provided the Company does not trade in the BVI and does not have any employees working in the BVI. All dividends, interest, rents, royalties and other expense amounts paid by the Company, and capital gains realised with respect to any shares, debt obligations or other securities of the Company, are exempt from taxation in the BVI.

The tax charge in the period relates to the Company’s subsidiary Zanaga UK Services Limited.

	30 June 2015 Unaudited US$000	30 June 2014 Unaudited US$000	31 December 2014 Audited US$000
Recognised in other comprehensive income:			
Current year	**(11)**	**(22)**	(42)
Reconciliation of effective tax rate			
(Loss)/Gain before tax	**(3,951)**	**43,891**	(164,770)
Income tax using the BVI corporation tax rate of 0% (2014: 0%)	**-**	**-**	-
Effect of tax rate in foreign jurisdictions	**(11)**	**(22)**	(42)
	(11)	**(22)**	(42)

The effective tax rate for the Group is 0.3% (December 2014: 0.03%).

6. Investment in associate

	US$000
Balance at 1 January 2014	**208,513**
Change in investment carrying value from gain on dilution of shares	**45,521**
Additions	**5,000**
Share of comprehensive loss	**(228)**
Balance at 30 June 2014	**258,806**
Additions	**2,000**
Share of post-acquisition comprehensive loss	**(100,724)**
Impairment of investment in Associate	**(110,082)**
Balance at 31 December 2014	**50,000**
Additions	**1,450**
Share of comprehensive loss	**(3,023)**
Balance at 30 June 2015	**48,427**

From 30 April 2014, the investment represents a 50% less one share shareholding (previously 100%) in Jumelles for 2,000,000 shares of 4,000,001 total shares in issue.

The completion of the FS during H1 2014 also completed the consideration required from Glencore to conclude the share option agreement under which Glencore owns 50% plus 1 share shareholding in the Project. The consideration for 50% plus 1 share cost investment in the project of US$150.8m, compared to a US$105.3m 50% plus 1 share reduction in the Company’s Zanaga Project asset value at 30 April 2014, realised a surplus of US$45.5m. Subsequently, impairments were effected at 31 December 2014 which resulted in an exploration asset value in the accounts of Jumelles of US$100.0m.

Additions to the investment during 2014 totalling US$7.0m completed the US$17.0m total that the Company was due to pay under the Supplemental Agreement covering Project funding to the end of 2014. Similarly, 2015 additions of US$1.4m cover funding obligations towards a total for the year of US$2.5m plus a share of managements team costs, estimated at US$0.9m within a US$8.8m total 2015 work programme and budget.

On 11 February 2011, Xstrata Projects (now renamed Glencore Projects) exercised the Xstrata Call Option and from that date owns 50% plus one share of Jumelles and Jumelles is controlled at both a shareholder and director level by Glencore Projects. However, as the shares issued on exercise of the option were not considered to vest until provision of the services relating to the PFS and the FS had been completed, the Group continued to account for a 100% interest in Jumelles until the FS was completed in April 2014. From May 2014 the Group has accounted for the reduction of its interest in Jumelles. The Group's interest remains accounted for as an associate using the equity method of accounting.

The Group financial statements account for the Glencore Projects transaction as an in-substance equity-settled share-based payment for the provision of services by Glencore Projects to Jumelles in relation to the PFS and the FS. These services largely were provided through third party contractors and were measured at the cost of the services provided.

As at 30 June 2015, Jumelles had aggregated assets of US$106.1m (June 2014: US$307.6m) and aggregated liabilities of US$3.4m (June 2014: US$5.6m). For the 6 months ended 30 June 2015, Jumelles incurred no taxation charge (June 2014: US$nil). A summarised consolidated balance sheet of Jumelles for the 6 months ended 30 June 2015, including adjustments made for equity accounting, is included below:

	30 June 2015 Unaudited US$000	30 June 2014 Unaudited US$000	31 December 2014 Audited US$000
Non-current assets			
Property, plant and equipment	**3,238**	8,055	4,264
Exploration and other evaluation assets	**100,000**	294,129	100,000
Intangible assets	**-**	3	-
Total non-current assets	**103,238**	302,187	104,264
Current assets	**2,849**	5,423	4,162
Current liabilities	**(3,418)**	(5,629)	(4,608)
Net current liabilities	**(569)**	(206)	(446)
Net assets	**102,669**	301,981	103,818
Share capital	**334,992**	310,779	330,095
Share option reserve	**-**	-	-
Capital Contribution 1 (ZIOC+Glencore)	**-**	1,030	-
Capital Contribution 2 (ZIOC)	**-**	15,000	-
Translation reserve	**(6,827)**	6,018	(6,112)
Retained earnings	**(225,496)**	(30,846)	(220,165)
	102,669	301,981	103,818

7. Earnings per share	**30 June 2015 Unaudited**	30 June 2014 Unaudited	31 December 2014 Audited
(Loss)/Gain (Basic and diluted) (US$000)	**(3,962)**	43,891	(164,812)

Weighted average number of shares (thousands)			
Basic and diluted			
Issued shares at beginning of period	**278,777**	278,777	278,777
Effect of shares issued	**-**	-	-
Effect of share repurchase	**-**	-	-
Effect of own shares	**(3,842)**	(4,042)	(3,956)
Effect of share split	**-**	-	-
Weighted average number of shares at end of period - basic	**274,935**	274,735	274,821
(Loss)/Earnings per share (Cents)			
Basic	**(1.4)**	32.2	(60.0)
Diluted	**(1.4)**	31.8	(60.0)

8. Related parties

The following transactions occurred with related parties during the period:

	Transactions for the period			**Closing balance**		
	30 June 2015 Unaudited US$000	30 June 2014 Unaudited US$000	31 December 2014 Audited US$000	**30 June 2015 Unaudited US$000**	30 June 2014 Unaudited US$000	31 December 2014 Audited US$000
Intercompany Jumelles Limited	**3**	-	38	**41**	**-**	38
Harris GeoConsult Ltd[1]	**(55)**	(112)	(174)	**(9)**	**(24)**	(12)
Strata Capital UK LLP[2]	**2**	(123)	(245)	**-**	**(66)**	(60)
Xstrata Services UK Ltd	**-**	-	-	**5**	**5**	5
Funding:						
To Jumelles Limited	**1,450**	5,000	7,000	**-**	**-**	-

1. Harris GeoConsult is a consulting company in which director Colin Harris has a controlling interest.
2. Strata Capital UK LLP is an investment and consulting company in which director Michael Haworth has an interest.
