27 September 2018

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 2018.

Highlights

- Early Production Project ("EPP")
  - Positive product test results
    - Pellet feed concentrate results confirmed a premium product with an iron ore grade of 67.4% and low impurities is capable of being produced at the Zanaga Iron Ore Project ("Zanaga Project") from haematitic upper level orebody layers
    - Positive pellet test results from test work on pellets produced using new cold pelletisation technology with potential to provide significant cost benefits versus traditional pelletisation plants. Process launched by Jumelles, with support of Glencore, to ascertain commercial acceptability of Zanaga cold pellets with a range of steel industry customers
  - Cost estimations being secured from pellet plant developers for the potential pelletisation component of the EPP project, including assessment of both cold pelletisation and traditional pelletisation solutions
    - Initial high level results indicate major capital and operating cost savings through the development of a cold pelletisation plant solution
    - High level cost estimates indicate that a traditional pelletisation plant solution may present a viable economic solution in spite of the higher costs
  - Logistics routes for the EPP project to two potential exit ports further defined – firm cost estimates under negotiation, with further results expected in Q4 2018
  - Study work underway to ascertain overall project feasibility and scope of operations with the objective of defining the EPP's economics
- Port
  - Non-binding Letter of Intent ("LOI") submitted to China Road and Bridge Corporation (CRBC) by Mining Project Development Congo SAU ("MPD Congo") and other mining companies to support CRBC's discussions with Chinese funding institutions for the development of the new bulk mineral port at Pointe-Indienne, Republic of Congo
- Appointment of Mr Jonathan Andrew Velloza ("Johnny Velloza") to the board of ZIOC as an Independent Non-Executive Director on 6 September 2018
- Cash balance of US$3.0m as at 30 June 2018 and US$2.8m at 31 August 2018

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

"The first half of 2018 has been very positive for the Zanaga Iron Ore Project and the Company. Supported by its shareholders, Jumelles has made major progress in progressing the Zanaga Project through the definition of a small scale early production project solution (EPP Project). The EPP Project is made all the more attractive due to the potential ability to produce high grade iron ore products that are currently trading at a premium in the market. We're also cautiously optimistic about the positive results from the testing of the Zanaga product with a lower capital and operating cost cold pelletisation technology that has shown excellent results in its testing with a steel company and independent laboratories. The future of iron ore particularly lies in the production of high quality iron ore materials and the Zanaga Project is well aligned to benefit from that trend going forward.

We are also very pleased that Johnny Velloza has now joined the Board of ZIOC. Johnny's extensive operational experience in the mining industry, particularly in iron ore, will prove invaluable to the Company as the Zanaga Project advances through the next phase of technical study work.

We look forward to providing our shareholders with further updates on the Early Production Project as the cost estimates are received and compiled by the Zanaga project team."

Copies of the unaudited interim results for the six months ended 30 June 2018 are available on the Company's website at www.zanagairon.com

The Zanaga Iron Ore Company Limited LEI number is 21380085XNXEX6NL6L23.

For further information, please contact:

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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 investment in associate. 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.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Business Review - Operations

Cash Reserves and Project Funding

As already reported in the Company's annual results published on 29 June 2018, Glencore and ZIOC agreed a 2018 Project Work Programme and Budget for the Zanaga Project of US$1.3m plus US$0.2m of discretionary spend dependent on certain workstreams requiring capital. ZIOC agreed to contribute towards the work programme and budget an amount comprising US$0.7m plus 49.99% of all discretionary items approved jointly with Glencore. Ignoring any entitlement to savings, ZIOC's potential contribution to the Zanaga Project in 2018 is US$0.8m in total.

We are pleased to report that the Zanaga Project's activities are currently running in line with the 2018 budget forecast.

As at 31 August 2018, ZIOC had cash reserves of US$2.8m and the Board continues to take a very prudent approach to the management of the business.

Changes to the Board of Directors

Mr Jonathan Andrew Velloza ("Johnny Velloza") joined the board of ZIOC as an Independent Non-Executive Director following the Company's Annual General Meeting on 6 September 2018. Mr Velloza has a wealth of experience in the mining industry and is currently completing his tenure as Deputy CEO and COO of Gem Diamonds Ltd. Prior to this, he was with BHP Western Australia Iron Ore where he was General Manager at Mining Area C, the largest iron ore mine in the BHP portfolio, from 2013 to 2015, leading a number of successful operational efficiency programs. He has also acted as a Senior Exploration Manager in Zambia and Chile for BHP from 2011-2013, Operations Manager at AngloGold Ashanti from 2009-2010 and held numerous managerial positions at De Beers from 2001-2009.

Mr Velloza, aged 47, holds a Bachelor's degree in Mining Engineering from The University of Johannesburg and a Bachelor's degree in Business from The University of South Africa.

In addition, Mr Michael Haworth stepped down as a Director to focus on other business commitments and retired at the Company's Annual General Meeting on 5 September 2018.

Early Production Project Assessment (EPP)

As part of the Company's annual results published on 29 June 2018, the Company provided a comprehensive update on progress relating to investigations into the potential for development of a low capital cost project utilising existing road, rail and port transportation infrastructure. The project is envisaged to mine and beneficiate Zanaga's haematitic surface ores and produce either (a) high quality iron ore pellet feed concentrate, or (b) high quality iron ore pellets. Both of the target products would be expected to receive significant price premiums in the iron ore market.

The Zanaga Project Team have made significant progress in testing a new form of iron ore pellet, produced using a lower capital and operating cost technology, the results of which have been announced to shareholders on 29 June 2018 and 7 August 2018.

Following the success of the cold pelletisation test work, Jumelles, supported by ZIOC and Glencore, has commenced a process to assess customer acceptance of these new iron ore pellets. This process includes engaging with steel mills who might become substantial consumers of this product. As part of this process, Jumelles as a member of the Glencore group has the opportunity to utilise Glencore's extensive Iron Ore trading network.

Due to the continued rise in premiums for high quality iron ore pellets, the Zanaga Project team also commenced the process of securing capital and operating cost estimates for a conventional pelletisation solution for the Zanaga Project. It is encouraging to see the progress that is being made on establishing the viability of developing this solution for the EPP Project, and initial estimates provided to the Zanaga Project team indicate that an additional degree of optionality could be available in determining the potential viability of the EPP project using conventional pelletisation solutions.

As indicated previously, the Company and its associate Jumelles intend to be in a position to provide more detail on the outcomes of the study work by the end of this year including an economic assessment of the viability of the EPP project.

Cold pelletisation test results

On 30 June 2018, ZIOC announced the significant progress made in the Zanaga Iron Ore Project's pelletisation test work programme aimed at producing an industry acceptable iron ore pellet product using a lower cost cold pelletisation process. The results showed that the most recent batches of Zanaga cold pellets had met all industry standard tests as determined by independent third party laboratories.

Test work was then commissioned with the intention of ascertaining commercial acceptability in the steel production process. Two further 20kg samples of Zanaga cold pellets were sent to a European steel mill as well as an accredited European laboratory servicing the steel industry. The tests conducted by these independent laboratories returned positive results within the industry acceptable limits for conventional pellets.

These tests were undertaken by Jumelles, the joint venture between the Company and Glencore, as part of the overall initiative to establish the viability of an Early Production Project (EPP) as described in the Company's Annual Report released on 30 June 2018. As part of the ongoing work-streams, discussions are taking place with steel mills to consider further steps and tests that need to be taken in order to assess potential demand and pricing for Zanaga pellets and pellet feed concentrate.

Iron Ore Market

Iron ore prices have continued to be supported by robust demand from the steel industry in the first half of 2018. It is particularly encouraging that price premiums for high quality iron ore products, especially pellet feed concentrates and pellets themselves, have increased over the period supported by China's sustained drive to improve steel manufacturing efficiency and reduce pollution.

We do not expect major increases in supply of iron ore, and particularly not in high quality products with low impurities. We expect the structural shift in demand for high quality products to remain for the foreseeable future and the supply base to be unable to meet it for some time.

New Mineral Port in Pointe-Indienne

In March 2013, the RoC signed a Memorandum of Understanding with China Communications Construction Company ("CCCC"), and its subsidiary China Road and Bridge Corporation ("CRBC"), for the development of a new multi-user port facility 9km north of the existing port of Pointe-Noire at Pointe Indienne, including a deepwater bulk export facility for the iron ore industry. CRBC has conducted a significant amount of work on this major project, including a feasibility study on the port development.

ZIOC notes that there is still discussion between the RoC Government, China EXIM Bank and China Road and Bridge Corporation (CRBC) on the financing and development plan for the new bulk materials port development north of Pointe Noire.

Advancement of the new port development could provide a key catalyst in allowing the Zanaga 12Mtpa Stage One development project to derisk and proceed towards seeking finance.

CRBC has confirmed to the Zanaga Project team that it is engaged in discussions with Chinese funding institutions on the development of the New Mineral Port at Pointe-Indienne.

ZIOC confirms that a non-binding LOI has been provided to CRBC by Jumelles' subsidiary, MPD Congo, and four other mining companies to support the development of this port; this LOI outlines the need to hold discussions with CBRC to determine an economically and technical viable development of the new port in alignment with the needs of the mining companies.

Outlook and next steps

The global iron ore market continues to show strong demand fundamentals and solid support for high quality products such as Zanaga would produce.

The Zanaga Project Team have done an excellent job in progressing the definition of the EPP Project and advancing its economic assessment. The Zanaga project has always targeted the production of premium quality products and we remain focused on this strategy, including the potential to extend the product development plan through to the production of high quality pellet feed or pellets.

While port and power arrangements remain a challenge, the Zanaga Project Team continue to engage with stakeholders on the new mineral port as well as the opportunities presented by the extension of the port of Pointe Noire itself.

We look forward to providing further information to shareholders towards the end of 2018.

Financial review

Results from operations

The financial statements contain the results for ZIOC for the first half of 2018. ZIOC made a loss in the half-year of US$0.8m compared to a loss of US$1.4m in the full year ended December 2017. The loss for the 2018 half-year period comprised:

	1 January to 30 June 2018	1 January to 30 June 2017	1 January to 31 December 2017
	Unaudited	Unaudited	Audited
	US$000	US$000	US$000
General expenses	**(416)**	**(357)**	(943)
Net foreign exchange (loss)/gain	**(64)**	**242**	366
Share of loss of associate	**(354)**	**(382)**	(824)
Interest income	**3**	**3**	8
(Loss)/Gain before tax	**(831)**	**(494)**	(1,393)
Tax		**-**	-
Currency translation	**(13)**	**-**	52
Share of other comprehensive income of associate – foreign exchange	**(9)**	**(84)**	(48)
Total Comprehensive income	**(853)**	**(578)**	(1,389)

General expenses of US$0.4m (2017: US$0.4m), Directors' fees of US$0.1m (2017: US$0.1m), professional fees of US$0.2m (2017: US$0.2m) and US$0.1m (2017: US$0.1m) of other general operating expenses.

The share of loss of associate of US$0.35m (2017: US$0.4m) 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 Feasibility Study 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$0.7 including the effects of currency translation of $0.01m loss. Capitalised exploration assets however, remain at US$80.0m.

Financial position

ZIOC's net asset value ("NAV") of US$40.5m is comprised of a US$37.5m investment in Jumelles and US$3.0m of cash balances.

	30 June 2018	30 June 2017	31 December 2017
	Unaudited	Unaudited	Audited
	US$m	US$m	US$m
Investment in associate	**37.5**	**37.6**	37.9
Fixed assets	**-**	**-**	-
Cash	**3.0**	**4.4**	4.9
Other net current assets/(liabilities)	**-**	**0.1**	(0.1)
Net assets	**40.5**	**42.1**	42.7

Cost of investment

The investment in associate relates to the carrying value of the investment in Jumelles, which as at 30 June 2018 owned 50% less one share of the Project. The carrying value of this investment is unchanged in 2018 due to:

- Company funding per the Supplemental Agreements of US$0. 3m; and
- The Company's US$0.35m share of the comprehensive loss US$ 0.7m made by Jumelles during the half-year.

As at 30 June 2018, Jumelles had aggregated assets of US$81.7m (June 2017: US$82.1m) and aggregated liabilities of US$0.8m (June 2017: US$0.8m). Non-current assets consisted of US$80.0m (June 2017: US$80.0m) of capitalised exploration assets and US$1.4m (June 2017: US$1.7m) of other fixed assets including property, plant and equipment. Cash balances amounted to US$0.3m (June 2017: US$0.4m) and other current assets were US$0.1m (June 2017: US$0.1m).

Cash flow

Cash balances have decreased by US$0.7m since 31 December 2017. Additional investment in Jumelles required under Funding Agreements (details set out in note 1 to the financial statements) utilised US$0.3m, operating activities US$0.3m, and foreign exchange losses were US$0.1m as the value of UK Sterling weakened against the US Dollar, thus decreasing the US Dollar value of the UK Sterling denominated cash balances.

	30 June 2018	30 June 2017	31 December 2017
	Unaudited	Unaudited	Audited
	US$000	US$000	US$000
GBP Balances	**2.3**	**3.4**	2.7
USD value of GBP balances	**3.0**	**4.4**	3.7
USD value of other currencies	**-**	**-**	-
USD balances	**-**	**-**	-
Cash Total	**3.0**	**4.4**	3.7

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2018

	Note	**1 January to 30 June 2018 Unaudited US$000**	1 January to 30 June 2017 Unaudited US$000	1 January to 31 December 2017 Audited US$000
Administrative expenses		**(480)**	**(115)**	(577)
Share of (loss)/profit associate		**(354)**	**(382)**	(824)
Operating loss		**(834)**	**(496)**	(1,401)
Interest Income		**3**	**3**	8
(Loss) before tax		**(831)**	**(494)**	(1,393)
Taxation	5	**-**	**-**	-
(Loss) for the period		**(831)**	**(494)**	(1,393)
Foreign exchange translation – foreign operations		**(13)**	**-**	52
Share of other comprehensive (loss)/income of associate – foreign exchange translation		**(9)**	**(84)**	(48)
Other comprehensive (loss)/gain		**(22)**	**(84)**	4
Total comprehensive (loss)/gain		**(853)**	**(578)**	(1,389)
(Loss)/Earnings per share (Cents)				
Basic	7	**(0.3)**	**(0.2)**	(0.5)
Diluted	7	**(0.3)**	**(0.2)**	(0.5)

The loss 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.

Consolidated Statement of changes in equity

for the six months ended 30 June 2018

	Share capital US$000	Retained earnings US$000	Foreign currency translation reserve US$000	Total Equity US$000
Balance at 1 January 2017	**267,012**	**(227,662)**	**3,322**	**42,672**
Consideration for share-based payments - other services	-	-	-	-
Share buy backs	-	-	-	-
Loss for the period	-	(494)	-	(494)
Other comprehensive (loss)/ income	-	-	(84)	(84)
Total comprehensive (loss)/income	-	(494)	984)	(578)
Balance at 30 June 2017	**267,012**	**(228,156)**	**3,238**	**42,094**
Consideration for share-based payments - other services		-	-	
Share buy backs	-	-	-	-
Loss for the period	-	(899)	-	(899)
Other comprehensive (loss)/income	-	-	88	88
Total comprehensive (loss)/income	-	(899)	88	(811)
Balance at 31 December 2017	**267,012**	**(229,055)**	**3,326**	**41,283**
Consideration for share-based payments - other services	-	-	-	-
Share buy backs	-	-	-	-
Loss for the period	-	(831)	-	(831)
Other comprehensive (loss)/income	-	-	(22)	(22)
	-	(831)	(22)	(853)
Total comprehensive loss				
Balance at 30 June 2018	**267,012**	**(229,886)**	**3,304**	**40,430**

Consolidated Balance sheet

as at 30 June 2018

	Note	**30 June 2018 Unaudited US$000**	30 June 2017 Unaudited US$000	31 December 2017 Audited US$000
Non-current asset				
Property, plant and equipment		**-**	**-**	-
Investment in associate	6	**37,518**	**37,636**	37,589
		37,518	**37,636**	37,589
Current assets				
Other receivables		**38**	**65**	49
Cash and cash equivalents		**2,949**	**4,435**	3,721
		2,987	**4,500**	3,770
Total Assets		**40,505**	**42,136**	41,359
Current liabilities				
Trade and other payables		**(75)**	**(42)**	(75)
Net assets		**40,430**	**42,094**	41,284
Equity attributable to equity holders of the parent				
Share capital		**267,012**	**267,012**	267,012
Retained earnings		**(229,886)**	**(228,156)**	(229,055)
Foreign currency translation reserve		**3,304**	**3,238**	3,327
Total equity		**40,430**	**42,094**	41,284

These financial statements were approved by the Board of Directors on 27 September 2018.

Consolidated Cash flow statement

for the six months ended 30 June 2018

	1 January to 30 June 20187 Unaudited US$000	1 January to 30 June 2017 Unaudited US$000	1 January To 31 Dec 2017 Audited US$000
Cash flows from operating activities			
Loss for the year	**(831)**	**(494)**	(1,393)
Adjustments for:			
Depreciation	**-**	**-**	-
Interest received	**(3)**	**(3)**	(8)
Taxation expense	**-**	**-**	-
Decrease in other receivables	**(3)**	**(6)**	11
Decrease in trade and other payables	**-**	**(71)**	(38)
Net exchange (profit)/loss	**64**	**(242)**	(313)
Gain on part sale of associate	**-**	**-**	-
Share of Total Comprehensive income of associate	**354**	**382**	824
Impairment to share of investment in associate	**-**	**-**	-
Share-based payments	**-**	**-**	-
Tax paid	**-**	**-**	-
Net cash from operating activities	**(419)**	**(434)**	917
Cash flows from financing activities			
Repurchase of own shares	**-**	**-**	-
Net cash from financing activities	**-**	**-**	-
Cash flows from investing activities			
Interest received	**3**	**3**	8
Acquisition of property, plant and equipment	**-**	**-**	-
Investment in associate	**(292)**	**(229)**	(588)
Net cash from investing activities	**(289)**	**(226)**	(580)
Net decrease in cash and cash equivalents	**(708)**	**(660)**	(1,497)
Cash and cash equivalents at beginning of period	**3,721**	**4,852**	4,852
Effect of exchange rate difference	**(64)**	**242**	366
Cash and cash equivalents at end of period	**2,949**	**4,434**	3,721

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 Feasibility Study 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. This has now been ratified by the Republic of Congo and adopted as law. Under the 2018 funding agreement entered into by the Company and Glencore, the Company's funding obligations for the 2018 work programme and budget are for a sum of US$0.65m, plus a percentage share of discretionary costs. Such share for the Company would be US$0.11m if all the discretionary costs were approved jointly by the Company and Glencore. On current projections, it is estimated that the cash amounts payable by the Company to Jumelles during 2018 will be between approximately US$0.65m and US$0.76m. As regards ZIOC's corporate costs for the 2018 financial year, it is estimated that such costs will be of the order of US$0.6m and US$0.8m. The directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these half-yearly financial statements. For these reasons, the financial statements of the Company have been prepared on a going concern basis.

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 2017. The comparative figures for the financial year ended 31 December 2017 are not the Company's statutory accounts for that financial year. The 2017 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 30 April 2014, the Company accounted for 100% of the Jumelles group Comprehensive Income. From May 2014, as a result of completion of the Feasibility Study (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.

	30 June 2018 Unaudited US$000	30 June 2017 Unaudited US$000	31 December 2017 Audited US$000
Recognised in profit and loss:			
Current year	**-**	**-**	-
Reconciliation of effective tax rate			
Profit/(Loss) before tax	**(831)**	**(494)**	(1,393)
Income tax using the BVI corporation tax rate of 0% (2015: 0%)	**-**	**-**	-
Effect of tax rate in foreign jurisdictions	**-**	**-**	-

The effective tax rate for the Group is 0.00% (December 2017: 0.00%).

6. Investment in associate

	US$000
Balance at 1 January 2017	**37,873**
Additions	**229**
Share of comprehensive loss	**(466)**
Balance at 30 June 2017	**37,636**
Additions	**359**
Share of comprehensive loss	**(406)**
Balance at 31 December 2017	**37,589**
Additions	**292**
Share of comprehensive loss	**(363)**
Balance at 30 June 2018	**37,518**

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.

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 Preliminary Feasibility Study and the Feasibility Study had been completed, the Group continued to account for a 100% interest in Jumelles until the Feasibility Study 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 Preliminary Feasibility

Study and the Feasibility Study. These services largely were provided through third party contractors and were measured at the cost of the services provided.

As at 30 June 2018, Jumelles had aggregated assets of US$81.7m (June 2017: US$82.1m) and aggregated liabilities of US$0.8m (June 2017: US$0.8m). For the 6 months ended 30 June 2018, Jumelles incurred no taxation charge (June 2017: US$nil). A summarised consolidated balance sheet of Jumelles for the 6 months ended 30 June 2018, including adjustments made for equity accounting, is included below:

	30 June 2018 Unaudited US$000	30 June 2017 Unaudited US$000	31 December 2017 Audited US$000
Non-current assets			
Property, plant and equipment	**1,403**	**1,697**	1,519
Exploration and other evaluation assets	**80,000**	**80,000**	80,000
Total non-current assets	**81,403**	**81,697**	81,519
Current assets	**320**	**495**	355
Current liabilities	**(763)**	**(838)**	(772)
Net current liabilities	**(443)**	**(343)**	(417)
Net assets	**80,960**	**81,354**	81,103
Share capital	**337,627**	**337,627**	338,190
Translation reserve	**(4,841)**	**(4,894)**	(4,823)
Retained earnings		**(251,379)**	(252,264)
	80,960	**81,354**	81,103

7. Earnings per share	**30 June 2018 Unaudited US$000**	30 June 2017 Unaudited US$000	31 December 2017 Audited US$000
Profit/(Loss) (Basic and diluted) (US$000)	**(831)**	**(494)**	(1,393)
Weighted average number of shares (thousands)			
Basic and diluted			
Issued shares at beginning of period	**283,201**	**278,777**	278,777
Effect of shares issued	**-**	**-**	-
Effect of share repurchase	**-**	**-**	-
Effect of own shares	**-**	**(3,842)**	(3,842)
Effect of share split	**-**	**-**	-
Weighted average number of shares at end of period – basic	**283,210**	**274,935**	274,935
(Loss)/Earnings per share (Cents)			
Basic	**(0.3)**	**(0.2)**	(0.5)
Diluted	**(0.3)**	**(0.2)**	(0.5)

8. Related parties

The following transactions occurred with related parties during the period:

	Transactions for the period			Closing balance		
	30 June 2018 Unaudited US$000	30 June 2017 Unaudited US$000	31 December 2017 Audited US$000	**30 June 2018 Unaudited US$000**	30 June 2017 Unaudited US$000	31 December 2017 Audited US$000
Funding:						
To Jumelles Limited	**292**	**229**	589	**35**	**35**	33
