

13 September 2017

Papua Mining plc
("Papua" or "the Company")

Interim Results

Papua Mining plc ("Papua" or "the Company") a UK company focused on the exploration for and if commercially feasible, development of gold and copper deposits in Papua New Guinea ("PNG") presents its Interim Results for the period ending 30 June 2017.

Highlights

- EL2051 has been renewed by the Minister for Mining for a further two year period
- Applications for renewal of ELs 1462 and 2322 have been lodged
- ELs 1804, 2353 and 2409 have been relinquished.

Exploration

No field exploration activity was carried out during the period under review. Data collation and review was conducted and it was decided to surrender ELs 1804, 2353 and 2409. Results obtained to date on these licences were not sufficiently attractive to justify the cost of maintaining the licences and it was decided to focus attention on the three most important licences where the bulk of our exploration expenditures to date have been made.

Interim Results

Our Income Statement for the six months ended 30 June, 2016 shows a loss of US\$116,616 compared to a loss of US\$248,798 for the same period last year. This reduced loss reflects the low level of exploration activity during the period and the very much reduced administration costs.

As stated in our Annual Report last June, your Board is engaged in discussions which it is hoped will lead to an improved outlook for the Company and its shareholders. A further announcement will be made as required.

Financial Highlights

	6 months to 30 June 2017 US\$ (unaudited)	6 months to 30 June 2016 US\$ (unaudited)	12 months to 31 December 2016 US\$ (audited)
(Loss) attributable to equity owners	(116,616)	(248,798)	(8,198,001)
Cash and cash equivalents	346,102	43,672	461,911
Exploration Assets	1,887,200	9,644,624	1,869,300
Net Assets	2,059,018	9,367,678	2,166.633

Enquiries:

Papua Mining plc

Hugh McCullough, Director +353 1 532 9535

Cenkos Securities – Nominated Adviser & Broker

Derrick Lee/ Beth McKiernan +44 131 220 6939

**Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2017**

	6 months to 30 June 2017 US\$	6 months to 30 June 2016 US\$	12 months to 31 December 2016 US\$
Note	(unaudited)	(unaudited)	(audited)
Administrative costs	(116,616)	(248,798)	(8,198,001)
Finance (charges)/income	0	0	0
(Loss) before tax	(116,616)	(248,798)	(8,198,001)
Income tax expense	0	0	0
(Loss) attributable to equity owners for the period	(116,616)	(248,798)	(8,198,001)
Other comprehensive (loss)/income for the period	0	0	0
Total comprehensive (loss) attributable to equity owners for the period	(116,616)	(248,798)	(8,198,001)
(Loss) per share attributable to equity owners			
Basic & Diluted	(0.01)	(0.01)	(0.08)

**Condensed Interim Consolidated Statement of Financial Position
As at 30 June 2017**

	6 months to 30 June 2017 US\$	6 months to 30 June 2016 US\$	12 months to 31 December 2016 US\$
Note	(unaudited)	(unaudited)	(audited)
ASSETS			

Non-current assets				
Intangible assets	4	1,887,200	9,664,624	1,869,300
Total non-current assets		1,887,200	9,664,624	1,869,300
Current Assets				
Trade and other receivables		0	0	0
Cash and cash equivalents		346,102	43,672	461,911
Total current assets		346,102	43,672	461,911
Total assets		2,233,302	9,688,296	2,331,211

EQUITY

Equity attributable to owners of the parent:

Share Capital	5	8,317,196	8,248,144	8,317,196
Share Premium		15,359,416	14,176,394	15,359,416
Other Reserves		3,087,062	3,087,062	3,087,062
Share Based Payment Reserve		1,422,914	1,377,830	1,413,914
Retained deficit		(26,127,571)	(18,061,752)	(26,010,955)
Total equity		2,059,017	9,367,678	2,166,633

LIABILITIES

Current liabilities

Trade and other payables		174,285	320,619	164,578
Total current liabilities		174,285	320,619	164,578
Total liabilities		174,285	320,619	164,578
Total equity and liabilities		2,233,302	9,688,296	2,331,211

Condensed Interim Cash Flow Statement For the six months ended 30 June 2017

	6 months to 30 June 2017 US\$ (unaudited)	6 months to 30 June 2016 US\$ (unaudited)	12 months to 31 December 2016 US\$ (audited)
Cash flow from operating activities			
(Loss) for the period	(116,616)	(248,798)	(8,198,001)
Adjustments to reconcile net profit/(loss) before tax to cash flow from operating activities			
Impairment of intangible assets	0	0	7,837,782

Share Based Payments	9,000	9,000	45,084
Currency adjustments	0	0	(21,918)
Net decrease/(increase) in operating assets			
-Other receivables	0	18,042	18,042
Net (decrease)/increase in operating liabilities			
-Other liabilities	9,707	51,690	(104,351)
Net cash flow from operating activities	(97,910)	(170,066)	(423,362)
Cash flow from investing activities			
Purchase of intangible assets	(17,900)	(374,270)	(436,727)
Net cash used in investing activities	(17,900)	(374,270)	(436,727)
Cash flow from financing activities			
Proceeds from issuance of ordinary shares	0	288,825	1,000,899
Net cash used in financing activities	0	288,825	1,000,899
Net increase/(decrease) in cash and cash equivalents	(115,809)	(255,511)	140,810
Cash and cash equivalents at the beginning of the period	461,911	299,813	299,183
Exchange difference on cash and cash equivalents	0	0	21,918
Cash and cash equivalents at the end of the period	346,102	43,672	461,911

**Condensed Interim Statement of Changes in Equity
For the six months ended 30 June 2017**

	Share Capital US\$	Share Premium US\$	Other Reserves US\$	Share Based Payment Reserve US\$	Retained Deficit US\$	Total Equity US\$
Balance at 31 December 2015	8,230,864	14,444,849	3,087,062	1,368,830	(17,812,954)	9,318,651
(Loss) for the period	0	0	0	0	(248,798)	(248,798)
Shares issued during the period	17,280	271,545	0	0	0	288,825
Share based payments	0	0	0	9,000	0	9,000
Balance at 30 June 2016 (unaudited)	8,248,144	14,716,394	3,087,062	1,377,830	(18,061,752)	18,404,303

(Loss) for the period	0	0	0	0	(7,949,203)	(7,949,203)
Shares issued during the period	69,052	643,022	0	0	0	712,074
Share based payments	0	0	0	36,084	0	36,084
Balance at 31 December 2016	8,317,196	15,359,416	3,087,062	1,413,914	(26,010,955)	2,166,633
(Loss) for the period	0	0	0	0	(116,616)	(116,616)
Shares issued during the period	0	0	0	0	0	0
Share based payments	0	0	0	9,000	0	9,000
Balance at 30 June 2016 (unaudited)	8,317,196	15,359,416	3,087,062	1,422,914	(26,127,571)	2,059,017

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 June 2017

1 Group and Principal activities

For the purposes of these financial statements, the term "PM plc Group" is defined as the companies Papua Mining plc (the "Company"), Papua Mining Limited, Aries Mining Limited and Sagittarius Mining Limited.

Papua Mining plc is a public limited company, admitted to trading on AIM, and is incorporated and domiciled in England and Wales.

Papua Mining plc acquired 100% of the share capital of Papua Mining Limited on 20 December 2011, however each of the companies of the PM plc Group have effectively operated as a group under common management for a number of years although they did not comprise a statutory group for the entire duration of the comparative period ended 31 December 2011 as defined by International Accounting Standards.

The PM plc Group's main activity is the exploration for gold and copper resources in Papua New Guinea...

2 Basis of preparation

This interim report on the unaudited consolidated financial statements is for the six month period ended 30 June 2017. It does not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2016, which were prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The consolidated financial statements have been prepared under the historical cost convention except for share based payments which are valued at the date of grant.

These unaudited consolidated half-year financial statements have been prepared in accordance with accounting policies consistent with those set out in the Group's financial statements for the year ended 31 December 2016, which were prepared in accordance with IFRS as adopted by the EU.

The consolidated financial statements incorporate the financial statements of the Company and subsidiaries controlled by the Company as at 30 June 2017.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2016, prepared under IFRS as adopted by the EU, have been filed with the Registrar of Companies.

The Group's consolidated financial statements are presented in US dollars.

3 Accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2016.

4 Intangible assets

Group	30 June 2017	30 June 2016	31 December 2016
	US\$	US\$	US\$
Exploration costs			
At beginning of period	1,869,300	9,270,355	9,270,355
Additions	17,900	374,269	(7,401,055)
At the end of year	<u>1,887,200</u>	<u>9,644,624</u>	<u>1,869,300</u>

The Group's principal subsidiary undertakings at 30 June 2017, all of which are included in the consolidation, were as follows:

Name of Company	Proportion held	Class of shareholding	Nature of business	Country of incorporation
Subsidiary undertakings				
Papua Mining Limited	100%	Ordinary	Exploration	British Virgin Islands
Aries Mining Limited	100%	Ordinary	Exploration	Papua New Guinea
Sagittarius Mining Limited	100%	Ordinary	Exploration	Papua New Guinea

5 Share capital

Group	30 June 2017	30 June 2016	31 December 2016
	Number	Number	Number
Issued share capital			
Ordinary shares of \$0.16 each			
Ordinary shares of \$0.0016 each	151,994,423	84,772,201	151,994,423
Deferred shares of \$0.1584 each	<u>51,215,534</u>	<u>51,215,534</u>	<u>51,215,534</u>
	30 June 2016	30 June 2015	31 December 2016
	US\$	US\$	US\$
Issued share capital			
Fully paid	8,317,196	8,248,144	8,317,196
	<u>8,317,196</u>	<u>8,248,144</u>	<u>8,317,196</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends. There are no shares held by the entity or its subsidiaries or associates. There are no shares reserved for issue under options and contracts for the sale of shares at the year end.

On the 24th June 2014 Papua Mining plc issued 12,500,000 placing units comprising of one placing share and one placing warrant (the Placing Shares and the Placing Warrants together the "**Placing Units**") at a price of £0.20 per Placing Unit. The Placing Warrants are exercisable within 2 years of 27 June 2014 at a price of £0.30 per Placing Warrant.

On the 7th July 2014 Papua Mining plc issued 3,689,200 offer units comprising of one offer share and one offer warrant (the Offer Share and the Offer Warrant together the "**Offer Units**") at a price of £0.20 per Offer Unit. The Offer Warrants are exercisable within 2 years of 7 July 2014 at a price of £0.30 per Offer Warrant.

On 3rd December, Papua Mining plc created £138,000 of Convertible Loan Notes convertible into ordinary shares of the Company at £0.01 per share.

26,200,000 ordinary shares of £0.001 (\$0.0012) each were issued at a price of £0.01 (\$0.012) per share on 21 December 2015 and 2,590,000 ordinary shares of £0.001 (\$0.012) each were issued at a price of £0.01 (\$0.012) per share on 21 December 2015. In addition, 2,100,000 ordinary shares of £0.001 were issued to a trade creditor in settlement of an invoice for £21,000.

On 21 December 2015 the Ordinary Share capital of £0.10p was divided in Ordinary Share capital of £0.001 and Deferred Share capital of £0.099p. The Deferred Share capital has no income or voting rights and will be entitled to receive the amount paid up on a winding-up once the ordinary share capital has received £1,000,000 per ordinary share held.

On 21 December 2015 warrants were issued over 3,000,000 ordinary shares of £0.001, exercisable over five years at a price of £0.01 per share.

2,000,000 ordinary shares of £0.001 (\$0.0012) each were issued at a price of £0.03 (\$0.04) per share on 16 May 2016. In addition, 666,667 ordinary shares of £0.001 were issued on the same day to a trade creditor in settlement of an invoice for £20,000.

11,200,000 ordinary shares of £0.001 (\$0.0012) each were issued at a price of £0.01 (\$0.012) per share on 1 September 2016.

40,000,000 ordinary shares of £0.001 (\$0.0012) each were issued at a price of £0.01 (\$0.012) per share on 10 October 2016. In addition, 444,444 ordinary shares of £0.001 were issued to a trade creditor in settlement of an invoice for £5,000 and 1,777,778 ordinary shares of £0.001 were issued to a trade creditor in settlement of an invoice for £20,000. Also 13,800,000 ordinary shares of £0.001 were issued to satisfy a convertible note of £138,000.