Metal Tiger Plc

2018 Interim Report
Unaudited interim results for the six months ended 30 June 2018

Metal Tiger Plc (“Metal Tiger” or the “Company”), the AIM listed natural resources investment company, is pleased to announce its unaudited interim results for the six months ended 30 June 2018.

Key Highlights:

Six months to 30 June 2018

- Completion of the pre-feasibility study for the T3 Project demonstrating robust economics (base case NPV US$281m, expansion case NPV US$402m) and in addition an upgraded T3 resource (60MT containing ~590kt of Cu).
- Substantially negotiated an agreement for the sale of MTR's 30% stake in the T3 Project to the Company’s joint venture partner MOD Resources Limited (“MOD”), subject to conditions precedent. The binding agreement was finalised and announced on 18 July 2018 following the period end. The consideration upon completion will comprise circa 17.2m MOD shares and 40.6m options to receive a further 40.6m shares for nil consideration (subject to certain conditions), with completion expected in October 2018.
- Drilling within the Company’s 30% Botswanan JV with MOD commenced at T3-Dome following receipt of environmental approvals and early visual drilling results were highly encouraging.
- Binding agreement signed to acquire up to 50% of Botswana focused Kalahari Metals Limited (“KML”) that holds interest in seven highly prospective exploration licences covering 4,036 square kilometres in the Kalahari Copper Belt. First tranche invested giving the Company 18% of KML.
- Loss for the period 1 January to 30 June 2018 of £4.5m, of which £3.1m was accounted for by the loss in fair value of Direct Equities investments.

Post period end

- Successfully raised £6.2m at 2.8p per share (with warrants), in August 2018, from existing and new shareholders based in the UK and North America.

KEY PERFORMANCE INDICATORS

	Unaudited Six months ended 30 June 2018	Unaudited Six months ended 30 June 2017	Audited Year ended 31 December 2017
Net asset value	£11,451,800	£12,860,500	£15,443,700
Net asset value – fully diluted per share	0.97p	1.07p	1.328p
Closing share price	2.825p	2.175p	2.330p
Share price premium to net asset value -fully diluted	191%	103%	75%
Market capitalisation	£31,615,000	£20,957,000	£25,326,000

Chairman's Statement

The first half of 2018 has seen substantial progress made by the Company with respect to its core investments, although the fall in value of its minority equity investments as a result of challenging market conditions has disguised much of the work done during the period.

The culmination of this work has been the signing of a binding agreement for the sale of Metal Tiger's 30% stake in the Botswana T3 Project to our joint venture partner MOD which was announced just after the period end on 18 July 2018. Consideration for the sale amounts to 17,200,000 MOD shares and options to receive a further 40,563,566 MOD shares for nil consideration ("Options"), exercisable under certain conditions, for a total value equivalent to A$27.7 million on the date of announcement. The allocation between shares and Options may vary subject to Metal Tiger's shareholding at the date of completion. The deal with MOD will occur five business days after the satisfaction of all conditions precedent and is expected to complete by the end of October 2018. On 19 September 2018, MOD held a shareholders meeting to vote on a resolution to approve the deal, which was passed by MOD shareholders unanimously. This was a very encouraging development, since the shareholder vote was a condition precedent outside the direct control of the parties. Metal Tiger has invested circa £3.8m to date in the MOD/Metal Tiger joint venture including contributions made to both T3 and other exploration licenses which will remain in a new 30/70 JV with MOD.

On completion, the sale of the T3 Project will provide Metal Tiger shareholders with exposure to the development of the T3 Project, without a requirement to contribute to mine construction costs, and provides increased exposure to MOD's successful ongoing exploration programme.

In addition, consolidation of the T3 Project to 100% MOD direct ownership is expected to make the asset more attractive with regard to development financing options. Metal Tiger will benefit from this through its substantial shares and Options sale consideration and current equity position in MOD.

In the event of a successful takeover offer for MOD any remaining Metal Tiger Options will be automatically converted to MOD shares.

Botswana/MOD

As part of the deal, Metal Tiger and MOD will enter into a new JV comprising all of the joint venture exploration licenses (excluding the sold T3 Project), covering circa 7,978 square kilometres of prospective land in the Kalahari Copper Belt providing Metal Tiger shareholders with a 30% interest in any future discoveries. Metal Tiger will also retain a 2% net smelter royalty over the T3 Project capped at US$2 million. Metal Tiger may also receive a 2% net smelter royalty over all Exploration Assets under specific scenarios.

Prior to the announcement of the deal to sell the T3 Project to MOD, MOD issued a statement advising an increase in the T3 Indicated Resource to 60MT with ~590kt of contained copper. This followed on from the T3 Mineral Resource update announced on the 2 July 2018. The project's technical team consider the Resource upgrade may well support an increase in the design throughput of the planned T3 processing plant, and that there is now the potential that the Feasibility Study Ore Reserve could significantly exceed the Ore Reserve used in the Pre Feasibility Study.

On 12 June 2018 MOD announced drilling on the A4 Dome had yielded an outstanding drill intersection and subsequent drilling results have confirmed further copper intersections in the area. The circa 5km A4 Dome is located just 8km from the 60MT T3 Pit Project and planned processing plant. Drilling at the A1 Dome has also intersected visible copper mineralisation. The A4 Dome and the A1 Dome together with the T3 Deposit, form part of the 700 square kilometres T3 Dome complex.

Mineralisation is stockwork-type, hosted in a sandstone sequence and remains completely open at depth and along strike.

Botswana/Kalahari Metals Limited

On 6 June 2018 Metal Tiger signed a binding Investment Agreement to acquire up to 50 % of Botswana focused explorer Kalahari Metals Limited ("KML") and at 30 June 2018 had exercised the first option and held an 18% interest in the company. KML is privately owned and holds interests in seven highly prospective exploration licences covering 4,036 square kilometres in the Kalahari Copper Belt, consisting of two 100% owned exploration licences and five exploration licences subject to a binding earn-in agreement with Triprop Holdings (Pty) Limited. Licences cover the prospective D'Kar and Ngwako Pan Formations with favourable structural positions and are associated with major copper deposits. The deal gives Metal Tiger exposure to a further 4,063 square kilometres of largely unexplored ground, adjacent to significant recent discoveries in the highly prospective Kalahari Copper Belt. The 100% KML owned exploration licences are situated northeast along strike of the Cupric Canyon Capital (circa 50km) and the MOD / Metal Tiger JV projects (circa 170km).

Since the period end, Metal Tiger and KML have announced that airborn high resolution electromagnetic (AEM) surveys had been completed over the prospective Okavango Project (Eastern Block) and Ngami Copper Project (Western Block) concessions. Processed survey data will help target the mineralised redox contact at the base of the D'Kar Group as well as identifying favourable regional structures and anticlines which have the potential to host mineralisation in analogous settings to the MOD T3 Deposit. Results from the AEM will be used to provide priority areas for follow-on drill testing.

Thailand

The Thai IPO for KEMCO was scheduled to launch in the first quarter 2018 but was postponed pending release of the Thai Minerals Management Master Plan. The Thai Cabinet has now approved the 20-year mineral management strategy (2017-2036) and the five-year mineral management master plan for 2017-2021 (the Master Plan). Importantly, the historical mining lease application areas under the KEMCO project fall into the Mineral Deposit Area classification. The Company has been informed that the formation of a new Minerals Act Committee (as per the new regulations) is underway and it is anticipated that once this has been formed then both mining licence applications and prospecting licence applications will be able to be processed.

Direct Equities

Direct Equities have shown a fall in value since the year end resulting in an unrealised loss of £3.1m in the period reversing the gains of previous periods although still showing a small gain over cost.

Metal Tiger built up an 8.6% equity stake in ASX listed, Kingsgate Consolidated Limited (KCN), towards the end of 2017. A notice of a General Meeting was requisitioned to seek to remove the majority of the Directors. Although the vote was close the motion was not passed. Metal Tiger had the support of both Institutional and Private Investors. It was decided not to pursue KCN and the equity holding was sold at the end of January 2018 and the proceeds directed to meeting continued costs in our JV project with MOD.

Metal Tiger continues to increase its direct equity investment in MOD by buying on market. At 30 June 2018 the Company held 13,880,042 shares in MOD and as at 26 September 2018 holds 13,974,220 shares in MOD representing 6.1% of its issued share capital.

The company has also made further acquisitions in the period in its investment in Thor Mining plc, which has tungsten and copper projects in Australia and the USA and, at 30 June 2018 held 73,430,000 ordinary shares in the company representing 10.7% of its issued ordinary share capital. The Company is actively pursuing strategies to maximise the value of its investment in Thor. Small investments have also been made in Veta Resources Inc and Pan Asia Metals Limited.

Results for the period

Administration costs for the period were £1,678,400, a reduction from those in the first half of 2017 (2017 H1: £1,994.800) and are significantly down on the full year comparatives (2018: £4,927,100) due mainly to reduced activity in Thailand and lower costs in administering Direct Equities Division deals. After reflecting the decline of market value in the Direct Equities Division and the sale of the KCN holding, the Group had an operating loss for the period of £5,110,300 (2017 H1: profit of £4,000; 2017 full year: profit of £510,200).

With the reinvestment of the proceeds of KCN into our joint ventures and associates, cash at bank and in hand fell from £2.8m to £0.7m at the end of the period. As described below, new funds were introduced into the Company in August 2018 to provide additional resources for the future without the need to liquidate further Direct Equity division holdings.

Fund raising post 30 June 2018

At the end of August 2018 Metal Tiger raised £6.2m at a price of 2.8p per ordinary share with attached warrants at 5p exerciseable within a 3 year period . This represents that largest fundraise to date. The proceeds of the fundraising will be used to fund Metal Tiger's portion of its commitment to 2018 budget for its Joint Venture project with partners MOD in the Kalahari Copper Belt in Botswana (30% Metal Tiger / 70% MOD), for its commitment to its recently acquired Joint Venture with KML in the same region, as well as for working capital and general corporate purposes. It is particularly pleasing to see our biggest shareholder Sprott Capital Partners contributed a further £2.6m towards the fundraise.

Conclusions

Metal Tiger remains positive on the outlook for copper prices given limitations on supply and the important role of copper in the global economy. In the year to date the Company has focussed the majority of its resources on the highly prospective Kalahari Copper Belt in Botswana and this will continue to be its priority. Metal Tiger believes that its JV with MOD has the potential to become a world class copper asset. The investment in KML, which is in the early days, will provide further exposure in this exciting region. I look forward to reporting continued success here.

I would like to take this opportunity to thank all our advisers and partners, the Company's success has been helped by the quality of those engaged around the world. Thanks also belong to our shareholders, who share our resolve to create high investment returns, many of these investors have held their shares in the company for the past four years.

We are working hard and will continue to strive to deliver significant value from all our investments.

Charles Hall
Chairman

Condensed Statement of Comprehensive Income
For the six months ended 30 June 2018

	Notes	Unaudited Six months ended 30 June 2018 £'000	Unaudited Six months ended 30 June 2017 £'000	Audited Year ended 31 December 2017 £'000
Net gains on disposal of investments		(183.3)	595.0	3,916.4
Movement in fair value of Direct Equities Division investments		(3,063.1)	1,465.3	1,541.0
Share of post tax (losses)/profits of equity accounted associates		(195.5)	(14.2)	79.6
Share of post tax profits/(losses) of equity accounted joint ventures		9.8	(47.4)	(100.2)
Investment income		0.2	0.1	0.5
Net (loss)/gain on investments		(3,431.9)	1,998.8	5,437.3
Administrative expenses		(1,678.4)	(1,994.8)	(4,927.1)
Operating (loss)/profit		(5,110.3)	4.0	510.2
Finance income		73.0	0.4	0.4
Finance costs		(9.9)	(38.5)	(163.6)
Loss before taxation	2	(5,047.2)	(34.1)	347.0
Tax on (loss)/profit on ordinary activities	3	545.0	-	(545.0)
(Loss)/profit on ordinary activities after taxation		(4,502.2)	(34.1)	(198.0)
Other comprehensive income - Items which may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		(11.8)	(0.9)	(8.4)
Total comprehensive loss for the period		(4,514.0)	(35.0)	(206.4)
Loss for the period attributable to:				
Owners of the parent		(4,498.8)	(31.7)	(180.4)
Non-controlling interest		(3.4)	(2.4)	(17.6)
		(4,502.2)	(34.1)	(198.0)
Total comprehensive loss for the period attributable to:				
Owners of the parent		(4,510.2)	(32.4)	(188.3)
Non-controlling interest		(3.8)	(2.6)	(18.1)
		(4,514.0)	(35.0)	(206.4)

Earnings per share				
Basic loss per share	4	(0.407p)	(0.004p)	(0.019p)
Fully diluted loss per share	4	(0.407p)	(0.004p)	(0.019p)

Condensed Consolidated Statement of Financial Position
At 30 June 2018

	Notes	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Non-current assets				
Intangible assets		32.1	35.7	33.8
Property, plant and equipment		23.7	39.7	30.6
Deferred tax asset		-	-	96.6
Investment in associates		4,224.4	1,294.0	2,203.0
Investment in joint ventures		1,233.4	1,246.9	1,223.7
Other non-current assets		107.5	-	-
Total non-current assets		5,621.1	2,616.3	3,587.7
Current assets				
Direct Equities Division investments		5,551.4	6,353.2	10,061.9
Trade and other receivables		649.4	604.1	482.4
Cash and cash equivalents		736.8	4,020.8	2,845.1
Total current assets		6,937.6	10,978.1	13,389.4
Current liabilities				
Trade and other payables		(936.8)	(562.1)	(724.5)
Loans and borrowings		(49.0)	(48.8)	(48.8)
Total current liabilities		(985.8)	(610.9)	(773.3)
Net current assets		5,951.8	10,367.2	12,616.1
Non-current liabilities				
Deferred tax liability		-	-	(641.5)
Contingent consideration		(121.1)	(123.0)	(118.6)
Total non-current liabilities		(121.1)	(123.0)	(760.1)
Net assets		11,451.8	12,860.5	15,443.7
Capital and reserves				
Called up share capital		111.9	96.4	108.7
Share premium account		6,757.3	3,302.7	6,124.8
Share based payment reserve		1,106.9	695.3	928.5
Warrant reserve		3,056.1	4,095.5	3,348.0
Translation reserve		1.6	(68.3)	13.1
Profit and loss account		413.7	4,715.3	4,912.5
Total shareholders' funds		11,447.5	12,836.9	15,435.6
Equity non-controlling interests		4.3	23.6	8.1
Total equity		11,451.8	12,860.5	15,443.7

Condensed Statement of Cash Flows
For the six months ended 30 June 2018

	Unaudited Six months ended 30 June 2018 £'000	Unaudited Six months ended 30 June 2017 £'000	Audited Year ended 31 December 2017 £'000
Cash flows from operating activities			
(Loss)/profit before taxation	(5,047.2)	(34.1)	347.0
Adjustments for:			
Profit on disposal of Direct Equities Division investments	183.3	(595.0)	(3,916.4)
Movement in fair value of investments	3,063.1	(1,465.3)	(1,541.0)
Share of post tax losses/(profits) of equity accounted investments	195.5	14.2	(79.6)
Share of post tax (profits)/losses of equity accounted joint ventures	(9.8)	47.4	100.2
Share based payment charge for year	150.0	425.9	467.5
Cost of warrant extension	28.4	-	263.1
Equity settled trading liabilities	-	21.0	62.5
Issue of KEMCO Mining plc warrants	(59.5)	-	59.9
Depreciation and amortisation	9.2	9.1	19.2
Write off of assets	-	-	2.0
Investment income	(0.2)	(0.1)	(0.5)
Finance income	(73.0)	(0.4)	(0.4)
Finance costs	9.9	38.5	163.6
Operating cash flow before working capital changes	(1,550.3)	(1,538.8)	(4,052.9)
Increase in trade and other receivables	(211.7)	(242.1)	(76.1)
Increase in trade and other payables	(119.9)	122.0	284.6
Unrealised foreign exchange gains	(62.2)	(15.2)	(44.4)
Net cash outflow from operating activities	(1,944.1)	(1,674.1)	(3,888.8)
Cash flow from Investing activities			
Proceeds from investment disposals	3,817.1	1,095.3	5,402.0
Purchase of intangible assets	-	(10.6)	(10.6)
Purchase of fixed assets	(0.2)	(0.3)	(1.4)
Purchase of investment in, and loans to, associates	(1,706.8)	(597.8)	(1,522.3)
Purchase of other fixed asset investments	(107.5)	-	-
Purchase of investment in, and loans to joint ventures	-	(196.7)	(228.0)
Purchase of investments	(2,552.9)	(1,320.8)	(5,939.2)
Finance income	10.2	0.3	0.1
Net cash outflow from investing activities	(540.1)	(1,030.6)	(2,298.5)
Cash flows from financing activities			
Proceeds from issue of shares	383.1	5,678.0	8,028.5
Share issue costs	(1.0)	(342.3)	(385.9)
Interest paid	(5.8)	(0.1)	(1.0)
Net cash inflow from financing activities	376.3	5,335.6	7,642.5
Net increase in cash in the period	(2,107.9)	2,630.9	1,455.2
Cash and cash equivalents at beginning of period	2,845.1	1,389.8	1,389.8
Effect of exchange rate changes	(0.4)	0.1	0.1
Cash and cash equivalents at end of period	736.8	4,020.8	2,845.1

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2018 (unaudited)

	Called up Share capital £'000	Share premium account £'000	Share based payment reserve £'000	Warrant reserve £'000	Translation reserve £'000	Retained losses £'000	Total equity shareholders' funds £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2017	**77.5**	**1,274.6**	**532.5**	**1,087.6**	**(67.6)**	**4,527.1**	**7,431.7**	**26.2**	**7,457.9**
Period to 30 June 2017:									
Profit for the period and total comprehensive income	-	-	-	-	-	(31.7)	(31.7)	(2.4)	(34.1)
Other comprehensive income	-	-	-	-	(0.7)	-	(0.7)	(0.2)	(0.9)
Total comprehensive income	-	-	-	-	(0.7)	(31.7)	(32.4)	(2.6)	(35.0)
Cost of share based payments	-	-	162.8	263.1	-	-	425.9	-	425.9
Exercise of options and warrants	2.8	480.4	-	-	-	-	483.2	-	483.2
Share issues	16.1	1,890.0	-	2,964.7	-	-	4,870.8	-	4,870.8
Share issue expenses	-	(342.3)	-	-	-	-	(342.3)	-	(342.3)
Transfer of reserves relating to exercise and expiry of options and warrants	-	-	-	(219.9)	-	219.9	-	-	-
Total recognised directly in equity	18.9	2,028.1	162.8	3,007.9	-	219.9	5,437.6	-	5,437.6
Balance at 30 June 2017	**96.4**	**3,302.7**	**695.3**	**4,095.5**	**(68.3)**	**4,715.3**	**12,836.9**	**23.6**	**12,860.5**
Period to 31 December 2017:									
Loss for the period and total comprehensive income	-	-	-	-	-	(148.7)	(148.7)	(15.2)	(163.9)
Other comprehensive income	-	-	-	-	81.4	(88.6)	(7.2)	(0.3)	(7.5)
Total comprehensive income	-	-	-	-	81.4	(237.3)	(155.9)	(15.5)	(171.4)
Cost of share based payments	-	-	304.8	2,701.7	-	-	3,006.5		3,006.5
Exercise of options and warrants	(2.8)	(480.4)	-	-	-	-	(483.2)	-	(483.2)
Issue of warrants	-	-	-	522.1	-	-	522.1	-	522.1
Share issues	15.1	2,702.4	-	(2,964.7)	-	-	(247.2)	-	(247.2)
Share issue expenses	-	(43.6)	-	-	-	-	(43.6)	-	(43.6)
Capital reduction	-	643.7	(71.6)	(1,006.6)	-	434.5	-	-	-
Total recognised directly in equity	12.3	2,822.1	233.2	(747.5)	-	434.5	2,754.6	-	2,754.6
Balance at 31 December 2017	**108.7**	**6,124.8**	**928.5**	**3,348.0**	**13.1**	**4,912.5**	**15,435.6**	**8.1**	**15,443.7**

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2018 (unaudited) continued

	Called up share capital £'000	Share premium account £'000	Share based payment reserve £'000	Warrant reserve £'000	Translation reserve £'000	Retained losses £'000	Total equity shareholders' funds £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2018	**108.7**	**6,124.8**	**928.5**	**3,348.0**	**13.1**	**4,912.5**	**15,435.6**	**8.1**	**15,443.7**
Period to 30 June 2018:									
Loss for the period	-	-	-	-	-	(4,498.8)	(4,498.8)	(3.4)	(4,502.2)
Other comprehensive income	-	-	-	-	(11.5)	-	(11.5)	(0.4)	(11.9)
Total comprehensive income	-	-	-	-	(11.5)	(4,498.8)	(4,510.3)	(3.8)	(4,514.1)
Cost of share based payments	-	-	178.4	-	-	-	178.4	-	178.4
Share issues	3.2	600.5	-	-	-	-	603.7	-	603.7
Share issue expenses	-	(1.0)	-	-	-	-	(1.0)	-	(1.0)
Transfer of reserves relating to exercise and expiry of options and warrants	-	33.0	-	(291.9)	-	-	(258.9)	-	(258.9)
Total changes directly to equity	3.2	632.5	178.4	(291.9)	-	-	522.2	-	522.2
Balance at 30 June 2018	**111.9**	**6,757.3**	**1,106.9**	**3,056.1**	**1.6**	**413.7**	**11,447.5**	**4.3**	**11,451.8**

Notes to the unaudited interim accounts
For the six months ended 30 June 2018

1. Basis of preparation

The financial statements included in the interim accounts have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS).

The financial statements are presented in UK pounds, which is also the Company's functional currency.

The principal accounting policies used in preparing these interim accounts are those expected to apply in the Group's Financial Statements for the year ending 31 December 2018. These are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2017. The accounting policies adopted are consistent with those of the previous financial year. A number of amendments to IFRSs became effective for the financial year beginning on 1 January 2018.

- Amendments to IFRS 2 'Share-based payments'
- IFRS 9 'Financial Instruments;
- IFRS 15 'Revenue from Contracts with Customers'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements 2014-2016

FRS15: Revenue from Contracts with Customers.

The Group currently has no revenue from customers which falls to be accounted for under the new standard and the introduction of the standard has no effect on current or prior year comparatives disclosed in this report.

IFRS9: Classification and measurement of financial assets and financial liabilities

The classification of financial assets under IFRS9 allows such assets to be measured at amortised cost, fair value through the profit and loss account or fair value through the profit and loss account. The Group's existing accounting policies provide for investments in the Direct Equities Division as accounted for at fair value through the profit and loss account and for trade receivables and loans to be carried at amortised cost.

Trade and other receivables are held at amortised cost in line with both with IAS 39 and IFRS9 which replaces it.

IFRS9 also requires an "expected credit loss" model to be applied to financial assets measured at amortised cost other than those held as investments in equity instruments. The financial instruments held by the Group at amortised cost consist of short term trade receivables mainly relating to tax recoverable and prepayments, cash and cash equivalents. The nature of these assets are such that the change in the model does not affect the amount at which they are held in the financial statements.

Accordingly no reclassification or changes to previous published results, assets or liabilities are required in order to comply with IFRS9.

The adoption of the remaining new standards and amendments to IFRS did not impact the condensed consolidated interim financial statements for the six months ended 30 June 2018 and no retrospective adjustments were required.

The interim accounts were approved by the Board of Metal Tiger on 26 September 2018. Neither the interim financial information for the six months ended 30 June 2018 nor the interim financial information for the six months ended 30 June 2016 constitutes statutory accounts within the meaning of section 434 of the Companies Act 2006 and is unaudited. The comparatives for the year ended 31 December 2017 are not the Group's full statutory accounts for that period. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006. Copies of the accounts for the year ended 31 December 2017 are available on the Company's website (www.metaltigerplc.com).

2. Accounting policies

The principal accounting policies are:

Basis of consolidation

The Consolidated Statement of Comprehensive Income and Statement of Financial Position include the financial statements of the Company and its subsidiary undertakings made up to 30 June 2018.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to non-controlling interests, even if this results in non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in the Statement of Comprehensive Income
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may require that the amounts previously recognised in other comprehensive income be reclassified to profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the date of acquisition and the amount of any non-controlling interest in the acquired entity. Non-controlling interests ('NCI') may be initially measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Acquisition costs incurred are expensed and included in administrative expenses except where they relate to the issue of debt or equity instruments in connection with the acquisition, in which case they are included in finance costs.

When the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in determination of goodwill.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Any subsequent changes to the fair value of the contingent consideration are adjusted against the cost of the acquisition if they occur within the measurement period of twelve months following the date of acquisition. Any subsequent changes to the fair value of the contingent consideration after the measurement period are recognised in the Income Statement. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Going concern

The interim financial statements have been prepared on the going concern basis as, in the opinion of the Directors, at the time of approving the interim financial statements, there is a reasonable expectation that the Company will continue in operational existence for the foreseeable future. The interim financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Exploration costs

Exploration costs incurred by Group companies, associates and joint ventures are expensed in arriving at profit or loss for the period.

Investments made are capitalised as an asset where the underlying projects have mineral resources which are compliant with internationally recognised mineral resource standards (JORC and NI 43-101) or where the investment is to acquire an interest in an investment or associate that holds commercial information, assets or strategic features against which a current commercial value can be reasonably assessed.

The JORC Code, the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, is a professional code of practice that sets minimum standards for public reporting of mineral exploration results, mineral resources and ore reserves. NI 43-101 is a national instrument for the Standards of Disclosure for Mineral Projects within Canada which provides a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

The results of overseas operations are translated at rates approximating to those ruling when the transactions took place. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position reporting date. All exchange differences are dealt with through the Statement of Comprehensive Income as they arise.

Investments in associates and joint ventures

Associates are entities, other than subsidiaries or joint ventures, over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not amount to control or joint control of the investee.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the unanimous consent of the parties sharing control. In some situations, joint control exists even though the Company has an ownership interest of more than 50 per cent because joint venture partners have equal control over management decisions. The Company's joint venture interests are held through a Jointly Controlled Entity (JCE). A JCE is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has a long term interest.

Exploration costs in respect of investments in associates and joint ventures are capitalised or expensed according to the policy set out above in respect of Group exploration costs. For associates and joint ventures which are equity accounted for, any share of losses are offset against loans advanced.

2. Segmental reporting

Divisional segments

Six months ended 30 June 2018

	Direct Equities £'000	Direct Projects £'000	Central costs £'000	Inter segment £'000	Total £'000
COMPREHENSIVE INCOME:					
Net (loss)/gain on investments	(3,246.4)	(185.7)	0.2	-	(3,431.9)
Intercompany sales	-	51.8	-	(51.8)	-
Administrative expenses	(221.0)	(727.0)	(782.2)	51.8	(1,678.4)
Operating loss for the period	(3,467.4)	(860.9)	(782.0)	-	(5,110.3)
Net finance income/(cost)	(39.0)	100.0	2.1	-	63.1
Loss on ordinary activities before taxation	(3,506.4)	(760.9)	(779.9)	-	(5,047.2)
Taxation	545.0	-	-	-	545.0
Loss for the period after taxation	(2,961.4)	(760.9)	(779.9)	-	(4,502.2)
FINANCIAL POSITION:					
Intangible assets	-	32.1	-	-	32.1
Property, plant and equipment	-	23.7	-	-	23.7
Investment in associates	-	4,224.4	-	-	4,224.4
Investment in joint ventures	-	1,233.4	-	-	1,233.4
Other non-current assets	107.5	-	-	-	107.5
Total non-current assets	107.5	5,513.6	-	-	5,621.1
Current assets	5,551.4	2,757.1	982.2	(2,353.1)	6,937.6
Current liabilities	-	(3,092.3)	(246.6)	2,353.1	(985.8)
Net current assets	5,551.4	(335.2)	735.6	-	5,951.8
Non-current liabilities	-	(121.1)	-	-	(121.1)
Net assets	5,658.9	5,057.3	735.6	-	11,451.8

Six months ended 30 June 2017

	Direct Equities £'000	Direct Projects £'000	Central costs £'000	Inter segment £'000	Total £'000
COMPREHENSIVE INCOME:					
Net gain/(loss) on investments	2,060.3	(61.6)	0.1	-	1,998.8
Administrative expenses	(49.4)	(1,139.1)	(806.3)	-	(1,994.8)
Operating profit/(loss) for the period	2,010.9	(1,200.7)	(806.2)	-	4.0
Net finance income/(cost)	(1.4)	(30.8)	(5.9)	-	(38.1)
Profit/(loss) on ordinary activities before taxation	2,009.5	(1,231.5)	(812.1)	-	(34.1)
Taxation	-	-	-	-	-
Profit/(loss) for the period after taxation	2,009.5	(1,231.5)	(812.1)	-	(34.1)
FINANCIAL POSITION:					
Intangible assets	-	35.7	-	-	35.7
Property, plant and equipment	-	39.7	-	-	39.7
Investment in associates	-	1,294.0	-	-	1,294.0
Investment in joint ventures	-	1,246.9	-	-	1,246.9
Total non-current assets	-	2,616.3	-	-	2,616.3
Current assets	6,517.8	1,894.7	4,167.4	(1,601.8)	10,978.1
Current liabilities	-	(1,700.0)	(512.7)	1,601.8	(610.9)
Net current assets	6,517.8	194.7	3,654.7	-	10,367.2
Non-current liabilities	-	(123.0)	-	-	(123.0)
Net assets	6,517.8	2,688.0	3,654.7	-	12,860.5

Year ended 31 December 2017

	Asset Trading £'000	Direct Projects £'000	Central costs £'000	Inter segment £'000	Total £'000
COMPREHENSIVE INCOME:					
Net gain/(loss) on investments	5,457.4	(20.6)	0.5	-	5,437.3
Intercompany sales	-	256.1	-	(256.1)	-
Administrative expenses	(584.7)	(3,120.5)	(1,478.0)	256.1	(4,927.1)
Operating profit/(loss) for the period	4,872.7	(2,885.0)	(1,477.5)	-	510.2
Net finance income/(cost)	(7.0)	(132.4)	(23.8)	-	(163.2)
Profit/(loss) on ordinary activities before taxation	4,865.7	(3,017.4)	(1,501.3)	-	347.0
Taxation	(641.6)	-	96.6	-	(545.0)
Gain/(loss) for the period after taxation	4,224.1	(3,017.4)	(1,404.7)	-	(198.0)
FINANCIAL POSITION:					
Intangible assets	-	33.8	-	-	33.8
Property, plant and equipment	-	30.6	-	-	30.6
Deferred tax asset	-	-	96.6	-	96.6
Investment in associates	-	2,203.0	-	-	2,203.0
Investment in joint ventures	-	1,223.7	-	-	1,223.7
Total non-current assets	-	3,491.1	96.6	-	3,587.7
Current assets	10,089.0	2,360.6	3,050.3	(2,110.5)	13,389.4
Current liabilities	(102.1)	(2,601.5)	(180.2)	2,110.5	(773.3)
Net current assets	9,986.9	(240.9)	2,870.1	-	12,616.1
Non-current liabilities	(641.5)	(118.6)	-	-	(760.1)
Net assets	9,345.4	3,131.6	2,966.7	-	15,443.7

Geographical segments

Six months ended 30 June 2018

	UK £'000	EMEA £'000	Asia-Pacific £'000	Austra-lasia £'000	Americas £'000	Inter segment £'000	Total £'000
COMPREHENSIVE INCOME:							
Net gain/(loss) on investments	(1,467.3)	(20.1)	-	(1,944.5)	-	-	(3,431.9)
Intercompany sales	51.8	-	-	-	-	(51.8)	-
Administrative expenses	(1,109.3)	(28.1)	(344.4)	(239.1)	(9.3)	51.8	(1,678.4)
Operating loss for the period	(2,524.8)	(48.2)	(344.4)	(2,183.6)	(9.3)	-	(5,110.3)
Net finance income/(cost)	2.0	(34.4)	134.5	(39.0)	-	-	63.1
Loss on ordinary activities before taxation	(2,522.8)	(82.6)	(209.9)	(2,222.6)	(9.3)	-	(5.047.2)
Taxation	545.0	-	-	-	-	-	545.0
Loss for the period after taxation	(1,977.8)	(82.6)	(209.9)	(2,222.6)	(9.3)	-	(4,502.2)
FINANCIAL POSITION:							
Intangible assets	-	-	32.1	-	-	-	32.1
Property, plant and equipment	-	-	23.7	-	-	-	23.7
Investment in associates	-	3,805.0	419.4	-	-	-	4,224.4
Investment in joint ventures	-	502.8	730.6	-	-	-	1,233.4
Non-current asset	107.5	-	-	-	-	-	107.5
Total non-current assets	107.5	4,307.8	1,205.8	-	-	-	5,621.1
Current assets	3,021.3	1.2	2,941.0	3,269.1	58.1	(2,353.1)	6,937.6
Current liabilities	(439.7)	(330.7)	(2,480.7)	(87.8)	-	2,353.1	(985.8)
Net current assets	2,581.6	(329.5)	460.3	3,181.3	58.1	-	5,951.8
Non-current liabilities	(121.1)	-	-	-	-	-	(121.1)
Net assets	2,568.0	3,978.3	1,666.1	3,181.3	58.1	-	11,451.8

Six months ended 30 June 2017	UK £'000	EMEA £'000	Asia-Pacific £'000	Austra-lasia £'000	Americas £'000	Inter segment £'000	Total £'000
COMPREHENSIVE INCOME:							
Net gain/(loss) on investments	1,038.3	(61.5)	-	1,022.0	-	-	1,998.8
Administrative expenses	(1,033.2)	(26.6)	(935.0)	-	-	-	(1,994.8)
Operating profit/(loss) for the period	5.1	(88.1)	(935.0)	1,022.0	-	-	4.0
Net finance income/(cost)	(7.2)	(33.1)	2.2	-	-	-	(38.1)
Profit/(loss) on ordinary activities before taxation	(2.1)	(121.2)	(932.8)	1,022.0	-	-	(34.1)
Taxation	-		-	-	-	-	-
Profit/(loss) for the period after taxation	(2.1)	(121.2)	(932.8)	1,022.0	-	-	(34.1)
FINANCIAL POSITION:							
Intangible assets	-		35.7	-	-	-	35.7
Property, plant and equipment	-		39.7	-	-	-	39.7
Investment in associates	-	1,294.0	-	-	-	-	1,294.0
Investment in joint ventures	-	414.4	832.5	-	-	-	1,246.9
Total non-current assets	-	1,708.4	907.9	-	-	-	2,616.3
Current assets	7,154.4	-	1,894.7	3,530.9	-	(1,601.9)	10,978.1
Current liabilities	(512.8)	-	(1,700.0)	-	-	1,601.9	(610.9)
Net current assets	6,641.6	-	194.7	3,530.9	-	-	10,367.2
Non-current liabilities	(123.0)	-	-	-	-	-	(123.0)
Net assets	6,518.6	1,708.4	1,102.6	3,530.9	-	-	12,860.5

Year ended 31 December 2017	UK £'000	EMEA £'000	Asia-Pacific £'000	Austra-lasia £'000	Americas £'000s	Inter segment £'000	Total £'000
COMPREHENSIVE INCOME:							
Net gain/(loss) on investments	4,313.2	(20.6)	-	1,144.7	-	-	5,437.3
Intercompany sales	256.1	-	-	-	-	(256.1)	-
Administrative expenses	(3,180.8)	(118.1)	(1,663.2)	(221.1)	-	256.1	(4,927.1)
Operating profit/(loss) for the period	1,388.5	(138.7)	(1,663.2)	923.6	-	-	510.2
Net finance income/(cost)	(10.8)	(144.0)	12.5	(20.9)	-	-	(163.2)
Profit/(loss) on ordinary activities before taxation	1,377.7	(282.7)	(1,650.7)	902.7	-	-	347.0
Taxation	(545.0)	-	-	-	-	-	(545.0)
Gain/(loss) for the period after taxation	832.7	(282.7)	(1,650.7)	902.7	-	-	(198.0)
FINANCIAL POSITION:							
Intangible assets	-	-	33.8	-	-	-	33.8
Property, plant and equipment	-	-	30.6	-	-	-	30.6
Deferred tax asset	96.6	-	-	-	-	-	96.6
Investment in associates	-	2,203.0	-	-	-	-	2,203.0
Investment in joint ventures	-	493.0	730.7	-	-	-	1,223.7
Total non-current assets	96.6	2,696.0	795.1	-	-	-	3,587.7
Current assets	5,848.2	-	2,360.6	7,291.1	-	(2,110.5)	13,389.4
Current liabilities	(565.7)	(6.0)	(2,237.0)	(75.1)	-	2,110.5	(773.3)
Net current assets	5,282.5	(6.0)	123.6	7,216.0	-	-	12,616.1
Non-current liabilities	(760.1)	-	-	-	-	-	(760.1)
Net assets	4,619.0	2,690.0	918.7	7,216.0	-	-	15,443.7

3. Taxation

No corporation tax charge arises in the period as a result of utilisation of past losses. No deferred tax asset has been recognised in respect of remaining losses as the Directors cannot be certain that future profits will be sufficient for this asset to be recognised.

4. Earnings/Loss per share

	Unaudited Six months ended 30 June 2018 £'000	**Unaudited Six months ended 30 June 2017 £'000**	**Audited Year ended 31 December 2017 £'000**
Loss attributable to equity holders of the Company	(4,498.8)	(31.7)	(180.4)
Shares used for calculation of basic EPS	1,104,678.302	849,917,669	930,169,942
Shares used for calculation of fully diluted EPS	1,104,678.302	849,917,669	930,169,942
Earnings per share			
Basic loss per share	(0.407p)	(0.004p)	(0.019p)
Fully diluted loss per share	(0.407p)	(0.004p)	(0.019p)

No share options or warrants outstanding at these dates were dilutive in view of the loss for the period/year and all such potential ordinary shares are excluded from the weighted average number of ordinary shares in calculating diluted earnings per share.

6. Share options and warrants charged against operating profit

No new options were granted under the Company's share option schemes during the period. The lives of certain warrants due to a director were extended. The total charge to operating profit/loss for the period amounted to £218,400 (six months ended 30 June 2017: £425,900; year to 31 December 2017: £730,600).

7. Distribution of Interim Report and Registered Office

A copy of the Interim Report will be available shortly on the Company's website, www.metaltigerplc.com, in accordance with rule 26 of the AIM Rules for Companies; and copies will be available from the Company's registered office, 107 Cheapside, London EC2V 6DN.

For further information on the Company, visit: www.metaltigerplc.com.

Metal Tiger Plc

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Notes to Editors:

Metal Tiger plc is listed on the London Stock Exchange AIM Market ("AIM") with the trading code MTR and invests in high potential mineral projects with a base, precious and strategic metals focus. The Company's target is to deliver a high return for shareholders by investing in significantly undervalued and/or high potential opportunities in the mineral exploration and development sector. The Company's key strategic objective is to ensure the distribution to shareholders of major returns achieved from disposals. Metal Tiger has two investment divisions, Direct Equities and Direct Projects.

The **Direct Equities division** invests in undervalued natural resource companies listed on London's AIM, the ASX and the TSX. Through the trading of equities and warrants, Metal Tiger seeks to generate cash for investment in the Metal Projects division. Metal Tiger's **Direct Projects division** is focused on the development of its key project interests in Botswana, Spain and Thailand. In Botswana, Metal Tiger has a growing interest in the large and highly prospective Kalahari copper/silver belt. In Spain, the Company has tungsten and gold interests in the highly-mineralised Extremadura region. In Thailand, Metal Tiger has interests in two potentially near-production stage silver/lead/zinc mines as well as licences, applications and critical historical data covering antimony, copper, gold, silver, lead and zinc opportunities. The Company actively assesses new investment opportunities on an ongoing basis and has access to a diverse pipeline of new opportunities in the natural resources and mining sector. For pipeline opportunities deemed sufficiently attractive, Metal Tiger may invest in the project or entity by buying publicly listed shares, by financing privately and/or by entering into a joint venture.