



**TRI-STAR RESOURCES PLC**  
**("Tri-Star" or the "Company")**

**Interim Results for the six month period ended 30 June 2016**

Tri-Star (AIM: TSTR), the integrated antimony development company, is pleased to announce results for the six months ended 30 June 2016.

**Results for the Interim Period**

Following the successful implementation of restructuring initiatives undertaken in the latter part of 2015 and the first half of 2016, Tri-Star is pleased to report a significantly reduced operating loss for the six months to 30 June 2016 of £485,000 (2015: £1,083,000). Total comprehensive loss amounts to £931,000 (2015: £1,924,000).

Administration and exploration expenses have been cut by 55% in the first half to £478,000 (2015: £1,072,000).

**Business Review**

Activity during the first half has focussed on the continued development of the Oman Antimony Roaster Project ("OAR"). The OAR is being developed by Strategic & Precious Metals Processing LLC ("SPMP"), an Omani company. The OAR is being built by SPMP in Sohar, Oman. Tri-Star has a 40% interest in SPMP.

The OAR has continued to show good progress in 2016. SPMP's most notable developments announced to date include: the strengthening of its management team, confirmation that the project is now entering the procurement and implementation phase, and the strategically important and exciting inclusion of a revenue-enhancing gold plant within the overall specification for the facility.

Tri-Star will continue to keep the market updated with developments in relation to this crucial project.

**Market Abuse Regulations**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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**TRI-STAR RESOURCES PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	<i>Notes</i>	<b>Unaudited Period ended 30 June 2016</b>	Unaudited Period ended 30 June 2015
		<b>£'000</b>	£'000
Share based payment charge		(5)	(11)
Exploration expenditure and other administrative expenses		(478)	(1,072)
Amortisation of intangibles		(2)	-
<b>Total administrative expenses and loss from operations</b>		<b>(485)</b>	<b>(1,083)</b>
Share of loss in associated companies		(305)	(93)
Finance income		848	180
Finance cost		(990)	(638)
<b>Loss before taxation</b>		<b>(932)</b>	<b>(1,634)</b>
Taxation	4	-	-
<b>Loss after taxation, and loss attributable to the equity holders of the Company</b>		<b>(932)</b>	<b>(1,634)</b>
<b>Loss before and after taxation attributable to</b>			
Non-controlling interest		-	(3)
Equity holders of the parent		(932)	(1,631)
<b>Other comprehensive (expenditure)/income</b>			
<b>Items that will be reclassified subsequently to profit and loss</b>			
Exchange differences on translating foreign operations		1	(290)
Other comprehensive (expenditure)/income for the period, net of tax		1	(290)
<b>Total comprehensive loss for the year, attributable to owners of the Company</b>		<b>(931)</b>	<b>(1,924)</b>
<b>Total comprehensive loss attributable to</b>			
Non-controlling interest		-	(3)
Equity holders of the parent		(931)	(1,921)
<b>Loss per share</b>			
Basic and diluted loss per share (pence)	5	<b>(0.01)</b>	(0.02)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2016**

		30 June 2016 (Unaudited)	31 December 2015 (Audited)
Assets	Notes	£'000	£'000
<b>Non-current</b>			
Intangible assets		20	-
Investment in associates		1,947	2,252
Property, plant and equipment		57	62
		<u>2,024</u>	<u>2,314</u>
<b>Current</b>			
Cash and cash equivalents		580	1,308
Trade and other receivables		59	148
<b>Total current assets</b>		<u>639</u>	<u>1,456</u>
<b>Total assets</b>		<u><u>2,663</u></u>	<u><u>3,770</u></u>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		49	373
Derivative financial liability	6	253	1,100
<b>Total current liabilities</b>		<u>302</u>	<u>1,473</u>
<b>Liabilities due after one year</b>			
Loans	6	9,309	8,318
Deferred tax liability		176	176
<b>Total liabilities</b>		<u>9,787</u>	<u>9,967</u>
<b>Equity</b>			
Issued share capital		2,601	2,601
Share premium		14,519	14,515
Share based payment reserve		1,074	1,074
Other reserves		(6,156)	(6,156)
Translation reserve		(757)	(758)
Retained earnings		(18,402)	(17,470)
		<u>(7,121)</u>	<u>(6,194)</u>
Non-controlling interest		(3)	(3)
<b>Total equity</b>		<u>(7,124)</u>	<u>(6,197)</u>
<b>Total equity and liabilities</b>		<u><u>2,663</u></u>	<u><u>3,770</u></u>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	Unaudited Period ended 30 June 2016 £'000	Unaudited Period ended 30 June 2015 £'000
<b>Cash flows from operating activities</b>		
Loss after tax	(932)	(1,634)
Amortisation of intangibles	2	-
Depreciation	10	10
Finance income	(1)	(1)
Finance cost	991	638
Loss from associates	305	93
Fees paid by shares	5	11
Equity settled share-based payments	-	11
Movement on fair value of derivatives	(847)	(178)
Decrease/(increase) in trade and other receivables	97	(3)
(Decrease) in trade and other payables	(368)	(68)
<b>Net cash outflow from operating activities</b>	<b>(738)</b>	<b>(1,121)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2)	(15)
Purchase of intangible assets	(22)	-
Cash invested in associates	-	(27)
Finance income	1	1
<b>Net cash outflow from investing activities</b>	<b>(23)</b>	<b>(41)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(761)</b>	<b>(1,162)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,308</b>	<b>1,496</b>
<b>Exchange differences on cash and cash equivalents</b>	<b>33</b>	<b>(7)</b>
<b>Cash and cash equivalents at end of period</b>	<b>580</b>	<b>327</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital	Share premium account	Other reserves	Share-based payment reserve	Translation reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2015 (audited)</b>	<b>2,525</b>	<b>13,179</b>	<b>(6,156)</b>	<b>767</b>	<b>(256)</b>	<b>(10,140)</b>	<b>(81)</b>	<b>(235)</b>	<b>(316)</b>
Issue of share capital	-	11	-	-	-	-	11	-	11
Share based payments	-	-	-	11	-	-	11	-	11
<b>Transactions with owners</b>	-	11	-	11	-	-	22	-	22
Loss for the period	-	-	-	-	-	(1,631)	(1,631)	(3)	(1,634)
Exchange difference on translation of foreign operations	-	-	-	-	(290)	-	(290)	-	(290)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(290)	(1,631)	(1,921)	(3)	(1,924)
<b>Balance at 30 June 2015 (unaudited)</b>	<b>2,525</b>	<b>13,190</b>	<b>(6,156)</b>	<b>778</b>	<b>(546)</b>	<b>(11,771)</b>	<b>(1,980)</b>	<b>(238)</b>	<b>(2,218)</b>
Issue of share capital	76	1,438	-	-	-	-	1,514	-	1,514
Share issue costs	-	(113)	-	-	-	-	(113)	-	(113)
Share based payments	-	-	-	326	-	-	326	-	326
Transfer on lapse of warrants	-	-	-	(30)	-	30	-	-	-
<b>Transactions with owners</b>	76	1,325	-	296	-	30	1,727	-	1,727
Loss for the period	-	-	-	-	-	(5,729)	(5,729)	235	(5,494)
Exchange difference on translation of foreign operations	-	-	-	-	(212)	-	(212)	-	(212)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(212)	(5,729)	(5,941)	235	(5,706)
<b>Balance at 31 December 2015 (audited)</b>	<b>2,601</b>	<b>14,515</b>	<b>(6,156)</b>	<b>1,074</b>	<b>(758)</b>	<b>(17,470)</b>	<b>(6,194)</b>	<b>(3)</b>	<b>(6,197)</b>
Issue of share capital	-	4	-	-	-	-	4	-	4
Share based payments	-	-	-	-	-	-	-	-	-
<b>Transactions with owners</b>	-	4	-	-	-	-	4	-	4
Loss for the period	-	-	-	-	-	(932)	(932)	-	(932)
Exchange difference on translation of foreign operations	-	-	-	-	1	-	1	-	1
<b>Total comprehensive loss for the period</b>	-	-	-	-	1	(932)	(931)	-	(931)
<b>Balance at 30 June 2016 (unaudited)</b>	<b>2,601</b>	<b>14,519</b>	<b>(6,156)</b>	<b>1,074</b>	<b>(757)</b>	<b>(18,402)</b>	<b>(7,121)</b>	<b>(3)</b>	<b>(7,124)</b>

## **NOTES TO THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2016**

### **1. GENERAL INFORMATION**

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 have been completed and filed at Companies House. The auditor's report on the annual financial statements was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

### **2. ACCOUNTING POLICIES**

#### **BASIS OF PREPARATION**

The Company's ordinary shares are quoted on the AIM market of the London Stock Exchange and the Company applies the Companies Act 2006 when preparing its annual financial statements.

The annual financial statements for the year ended 31 December 2016 will be prepared under International Financial Reporting Standards as adopted by the European Union (IFRS) and the principal accounting policies adopted remain unchanged from those adopted in preparing its financial statements for the year ended 31 December 2015.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

#### **GOING CONCERN**

The Directors have prepared cash flow forecasts for the period ending 30 September 2017. The forecasts identify unavoidable third party running costs of the Group and demonstrate that the Group will have sufficient cash resources available to allow it to continue in business for a period of at least twelve months from the date of approval of these interim financial statements. Accordingly, the accounts have been prepared on a going concern basis. The forecasts assume receipt of the US\$ 2million contingent asset referred to in Note 7 of these interim financial statements.

### **3. SEGMENTAL REPORTING**

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available. The chief operating decision maker has defined that the Group's only reportable operating segment during the period is mining.

The Group has not generated any revenues from external customers during the period.

In respect of the non-current assets as at 30 June 2016 of £2,024,000, £35,000 arise in the UK (30 June 2015: £48,000, 31 December 2015: £41,000), and £1,989,000 arise in the rest of the world (30 June 2015: £4,467,000, 31 December 2015: £2,273,000).

#### 4. TAXATION

Unrelieved tax losses of approximately £15.30 million as at 30 June 2016 (30 June 2015: £9.61 million, 31 December 2015: £14.92) remain available to offset against future taxable trading profits. The unprovided deferred tax asset at 30 June 2016 is £3,447,000 (30 June 2015: £2,197,000, 31 December 2015: £3,269,000) which has not been provided on the grounds that it is uncertain when taxable profits will be generated by the Group to utilise those losses.

#### 5. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	<b>Unaudited</b> <b>six months ended</b> <b>30 June 2016</b> <b>£'000</b>	Unaudited six months ended 30 June 2015 £'000
Loss on ordinary activities after tax (£'000)	<u>(932)</u>	<u>(1,634)</u>
Weighted average number of shares for calculating basic loss per share	<u>8,461,899,843</u>	<u>6,944,959,686</u>
<b>Basic and diluted loss per share (pence)</b>	<u><b>(0.01)</b></u>	<u><b>(0.02)</b></u>

Diluted earnings per share is the same as basic loss per share in each year because the potential shares arising under the share option scheme, share warrants and convertible bonds are anti-dilutive.

The weighted average number of ordinary shares excludes deferred shares which have no voting rights and no entitlement to a dividend.

#### 6. CONVERTIBLE SECURED LOAN NOTES

The Company has issued three tranches of convertible secured loan notes ("Notes") to Odey European Inc. ("OEI"). The Notes carry a non-cash coupon of 15% per annum which compounds half yearly and are secured by way of a guarantee and debenture granted by Tri-Star Antimony Canada Inc. The Notes are redeemable at 100% of their principal amount plus accrued interest by way of the issue of new Tri-Star Resources plc ordinary shares on 19 June 2018 (unless otherwise previously so converted).

On 19 June 2013, Tri-Star made the initial issuance of £4.0 million of Notes to OEI (the "2013 Notes"). These Notes were drawn down in two tranches of £1.33 million on 20 June 2013 and of £2.67 million on 27 September 2013.

On 27 August 2014, Tri-Star issued additional £2.0 million of Notes to OEI under the same terms as in 2013 (the "2014 Notes"). On 11 August 2015, Tri-Star issued a further £2.0 million of Notes, again, under the same terms (the "2015 Notes").

The conversion price is fixed at £0.0020. On maturity in June 2018, if a conversion notice has not been served previously, the Notes will convert into new Tri-Star ordinary shares at the conversion price of £0.0020. Up to maturity, OEI has the option to serve a conversion notice (at the conversion price) at any time. If the conversion of Notes in the period to maturity results in OEI holding more than 29.9% of the Company's enlarged voting share capital, OEI has the option of either continuing to hold those notes the conversion of which would increase its holding of shares above 29.9% or otherwise to have those notes redeemed in cash.

The Directors consider that the use of the Black-Scholes model is the most appropriate method of valuing the derivative component of the Notes. The following assumptions were used in calculating the fair value:

- the option to convert the Notes into equity will be exercised on 31 December 2016
- share price volatility for a Tri-Star Resources plc share of 117%, which is based on historic volatility
- conversion price of £0.0020
- Tri-Star Resources plc share price of £0.0009
- the effects of potential dilution have been ignored

The carrying value of the host debt component of the Notes at 30 June 2016 amounted to £9,309,000 (31 December 2015: £8,318,000; 30 June 2015: £5,711,000). The increase in fair value in the six month period, amounting to £991,000, has been recorded in finance cost in the Consolidated Statement of Comprehensive Income for the period ended 30 June 2016 (30 June 2015: £638,000).

The conversion option is an embedded derivative treated as a liability at fair value through profit and loss. At 30 June 2016 the fair value of the embedded derivative, calculated using the Black-Scholes option valuation model, was £253,000 (31 December 2015: £1,100,000; 30 June 2015: £448,000). The decrease in fair value in the six month period, amounting to £847,000, has been recorded in finance income in the Consolidated Statement of Comprehensive Income for the period ended 30 June 2016 (30 June 2015: £178,000).

The Notes are recorded in the Consolidated Statement of Financial Position as follows:

Carrying value of host debt instrument	At 30 June	Profit and	At 31	At 30 June	Profit and	At 31
	2016	loss	December	2015	loss	December
	£'000	movement	2015	£'000	movement	2014
2013 Notes	(4,862)	(582)	(4,280)	(3,748)	(459)	(3,289)
2014 Notes	(2,380)	(218)	(2,162)	(1,963)	(179)	(1,784)
2015 Notes	(2,067)	(191)	(1,876)	-	-	-
<b>TOTAL</b>	<b>(9,309)</b>	<b>(991)</b>	<b>(8,318)</b>	<b>(5,711)</b>	<b>(638)</b>	<b>(5,073)</b>

Fair value of derivative	At 30 June	Profit and	At 31	At 30 June	Profit and	At 31
	2016	loss	December	2015	loss	December
	£'000	movement	2015	£'000	movement	2014
2013 Notes	(140)	468	(608)	(313)	124	(437)
2014 Notes	(60)	203	(263)	(135)	54	(189)
2015 Notes	(53)	176	(229)	-	-	-
<b>TOTAL</b>	<b>(253)</b>	<b>847</b>	<b>(1,100)</b>	<b>(448)</b>	<b>178</b>	<b>(626)</b>



## **7. CONTINGENT ASSET**

Under the agreement to sell the Roaster intellectual property to SPMP, there remains a balance of US\$ 2million to be paid to Tri-Star by SPMP. This payment is contingent upon the successful completion of a pilot plant and has not been recognised as an asset in the financial statements.