METALS EXPLORATION PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Metals Exploration plc (AIM: MTL) ("Metals Exploration" or "the Company"), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to announce its interim results for the six months ended 30 June 2014.

Chairman's Statement

It is my pleasure to report the interim financial position of the Runruno Gold-Molybdenum project currently well into the construction phase and moving towards commissioning in Q2 2015. Following commissioning it is expected that the project will ramp up to full production during Q3 2015. 2014 is a critical year for the Group as the construction of its first production asset reaches a peak and the Group advances its production readiness status through strategic planning and a focus on identifying and recruiting the remaining key production personnel. Mr. Jeremy Ayre joined the Board of Directors as a Non-Executive Director in March 2014, a mining engineer by profession he brings to the Board over 25 years' experience in the industry.

The rapidly changing shape of the Runruno project site has been ongoing since it was formally committed to development in July 2013 but has accelerated over the last six months as the construction of the processing plant proceeds apace. This will continue into Q2 2015 when the commissioning of the processing plant commences and first gold is expected. There is still much to do physically and strategically and to plan for. At the end of August the total project is estimated to be 62% constructed.

Finances

In 2014 the highlight has been the finalisation of a project finance debt facility with two highly reputable resource banks participating equally; The Hongkong and Shanghai Banking Corporation Limited and BNP Paribas. The Company's wholly owned operating subsidiary FCF Minerals Corporation ("FCF"), the borrower of note, completed a set of rigorous due diligence exercises covering technical, environmental and administrative areas of the business. With no fatal flaws detected in the technical area and a positive outcome in the other two areas, management signed the facilities agreement and various supporting deeds and agreements on 28 May 2014, following which the Company announced the £48.7 million (US $83m) Debt Facilities Agreement to the investing community.

The £48.7 million (US $83m) facilities comprise three parts:

- £41.1 million (US$70m) million senior debt facility which includes,
- £2.9 (US$5m) million provision for rolled up capitalised interest and fees during construction; and,
- £4.7 (US$8m) overrun facility.

The facility will be applied to the construction of the Runruno project and finalises the Company's funding requirements through to commercial gold production.

To the end of August two drawdowns had been completed totaling £14.5 million and there was a positive cash balance of £17.4 million in the Group's bank accounts including £7.3 million allocated to a contingency account.

At the end of June the capital expenditure position is summarized as follows:

	Budget £m	To Date £m	Committed[2] £m	Remaining £m
Mine Development	11.63	10.01	0.20	1.42
Process Plant	47.49	22.47	13.00	12.02
Residual Storage Impoundment	6.94	4.89	0.11	1.94
On-site Infrastructure	8.88	7.08	0.66	1.14
Off-site Infrastructure	3.09	2.03	0.06	1.00
Indirect Costs	6.04	2.87	0.14	3.03
Owner's Cost	12.63	11.45	0.21	0.97
Taxation contingency[1]	2.75	1.76	0.21	0.78
Project Contingency	7.88	-	-	7.88
Total Capital Expenditure	**107.33**	**62.56**	**14.59**	**30.18**

Notes
[1] - the taxation contingency is the amount of value added tax and customs fees FCF Minerals Corporation is paying under protest on imported capital equipment.
[2] - the outstanding capital expenditure commitments as at 30 June 2014.

As of 25 June 2014 FCF entered into interest rate swap transactions covering 40% of the interest rate exposure as required under the Facilities Agreement entered into with the resource banks. As at 30 June 2014 the fair value of the interest rate swap instruments is a liability of £168k which has been recognised in the Condensed Consolidated Interim Balance Sheet. The corresponding loss on these instruments is taken to the Condensed Consolidated Statement of Total Comprehensive Income as a fair value loss.

On 26 and 27 June 2014 FCF entered into forward sales contracts for a total of 90,000 ounces of gold on a cash settled basis as required under the Facilities Agreement entered into with the resource banks. These contracts were fair valued by the resource banks, as at 30 June 2014, and a liability of £2.955m has been recognised in the Condensed Consolidated Interim Balance Sheet. A corresponding loss of £2.955m was taken to the Condensed Consolidated Statement of Total Comprehensive Income.

Mine Development

Mining activity comprises overburden stripping, pioneering roadworks, road maintenance, waste dumping, and general site-wide tidiness and safety works.

The mining team have unrestricted access to develop its mining works in stage one (Malilibeg) and stage two (Tayab) of the mine as a consequence of the successful removal of illegal small scale miners.

The most recent development works have focused on pioneering and construction work on the mine access road to Stage 3 of the planned pit which will enable access to construction clay materials for the Residual Storage Impoundment ("RSI"). There is an economic benefit to the project by undertaking these works now as the clay materials would otherwise be required to be acquired externally and hauled to site. The geological and geotechnical teams have identified sufficient clay within the mine pit area which has tested as being highly suitable for the construction of the core zone within the RSI dam wall.

The mining team is currently preparing the permanent site for the fuel farm in advance of two more industrial fuel tanks being delivered to site and the relocation of the current two tanks from their temporary location. The company has been receiving fuel to site from Shell Oil Company (Shell) since November 2013 and has a supply contract in place with Shell for diesel fuel and oil supplies.

The design of the Run of Mine (ROM) pad located in the Tayab valley has been finalised and the mining team has developed its production stockpile strategy as part of their operational readiness focus.

A Senior Mine Planning Engineer is currently being sourced to complement the mining team to continue to develop the mine mapping and strategic planning.

Residual Storage Impoundment (RSI)

Considerable construction works are being undertaken on the RSI with a view to having it completed and commissioned in advance of the process plant being operationally ready. The works were previously delayed due to a lengthy permitting process but this has now been successfully overcome and the mining team is self-managing the construction of the RSI with design and quality control / quality assurance being provided through a third party specialist consultancy. No further material permitting issues are envisaged in this particular construction process but there will be a series of minor permits required as the project continues.

In recent weeks the focus has been to expose the Stages 1 and 2 embankment floor and this has been successfully achieved. This included various preparatory works to contain the current volumes of water and divert the water route around the main works on the floor of the natural valley, including construction of two coffer dams. To date these engineering works have been successful, allowing the excavation team to work relatively uninhibited to expose the floor and thereafter commence establishment of the keyway on the main embankment wall. Sound fresh rock has been exposed in the floor and the abutments of the proposed dam and no further preparation of the foundation materials is required. Suitable filter materials for various drains incorporated into the dam wall construction are being sourced from around the site.

Over the life of the RSI up to eight spillways will be constructed as the wall height is lifted, two of which are currently in construction. The first spillway crest has been established at a height of 512 metres relative level (RL) (dam toe is at 488 metres RL) and the down-stream race established. The second spillway invert has been established at a height of 520 metres RL and the spillway race is currently being cut through rock. The RSI foundation is currently 95% complete and it is expected that the RSI foundation will be signed off by third part review by mid-September. Following sign off construction of the wall will commence.

A coffer dam has been established upstream to divert the water flow away from the wall area during construction. It has been built to a height of 515 metres RL and is designed to withstand a major storm event.

General Mining

In the month of August the total earth movement between the activity in the mine site and the RSI was 237,678 bm^3 including materials placed in engineered structures in the RSI and dumped to waste. This has been the busiest month for moving waste and other materials. The total year to date to 30 June 2014 materials moved is 1,158,558 bm^3 or approximately 2.9 million tonnes. In the main the Group's Komatsu mining fleet has been used to undertake the mining work. The fleet which has performed very well and is largely operated by locally recruited employees who have been trained onsite by the Company.

Process Plant - Design

Contromation Energy Services ("CES"), a Jakarta based engineering design consultant is developing 3D models for the piping, reagents area and water services area. CES continue to progress the design and drawings required for construction but have suffered from a lack of design capacity which has delayed the delivery of the detailed design required to build the project. CES' performance has now improved significantly however the late delivery of detail design has had a flow-on effect of delaying the completion of the construction phase of the processing plant by around 3 months into Q2 2015.

CES reports engineering design progress to the end of June 2014 to be 86.59% against a planned progress of 100%. FCF has been actively working with CES to prioritise design elements to help mitigate impacts on the construction schedule. This has seen design advance to 91.6% at the end of August and with design now is forecast to be completed by the end of October.

Engineering design groups Ircon, based in Bulgaria and Matsol based in Perth were engaged to undertake design for specific areas of the processing plant to accelerate the design. Both companies have performed satisfactorily.

Procurement and Contracts

All large value and long lead time packages have been awarded and the procurement and contracts team are currently engaged with the logistics and delivery of these items to site. The majority of this equipment has now been delivered to site or into the Company's secure transit facility nearby. The early availability of the mechanical equipment mitigates risk of delay during the construction stage and is supporting an orderly approach to construction at the site.

All major construction contracts have been awarded.

Process Plant - Construction

As at the end of July the construction activity in the process plant area is estimated at 21.4% complete which had advanced to 25.4% by the end of August.

Recent civils activities are summarised as follows:

- The CCD thickeners foundation is complete and the minor slabs and bunds are at 85% complete.
- Neutralisation and civil works are 100% complete.
- BIOX slab is complete. Minor civils and bund walls are on progress.
- CIL slab complete, minor civils and bund walls are on-progress.
- ASTOR / Detox tank foundations are complete. Bund walls and minor slabs on- progress.
- Grinding and gravity, 97% complete, mill slab and pedestals complete.
- ROM / Crusher / Conveying – earthworks, concrete foundations and wall on- progress.
- Flotation tank foundations on-progress.

A summary of recent activity in and around the stainless steel tanks:

- CCD thickener erection – 83% complete, mechanical instillation commenced.
- Neutralisation tank erection and internal fit-out – 63% complete.
- BIOX tank erection and internal fit-out – 39% complete.

Structural Mechanical and Piping recent activity summarized as:

- CIL area tanks 1, 2 & 3 and launders - 37% complete.
- Astor area – tank bases laid out and construction commenced.
- The ongoing tank and structural steel fabrication at Metaphil's own workshop is on-schedule.

FCF's construction team manages the construction schedule on a day to day basis and directs the various activities of the on-site subcontractors. The decision to self-manage construction works has been a positive one for FCF wherein the delays to the schedule due to design slippage have not incurred contractual extensions of time penalties. Despite the delay in the delivery of the process plant construction the capital cost of the project is forecast to remain within the budget estimate of US $182.8 million.

Infrastructure Works – On site

Most of the major on-site infrastructure works have been completed. Recently completed and ongoing works include:

- General warehouse is complete with ongoing installation of shelving.
- The night shift accommodation buildings were completed.
- The construction of the site high voltage electrical switchyard facilities within the process plant area is 80% complete
- Assay laboratory is in progress and due for completion in October.
- Recycling facility is in construction.
- Permanent fuel farm due for completion in October.

Infrastructure Works – Off site

The off-site infrastructure works undertaken in 2014 are summarized as follows:

- The Department of Public Works and Highway (DPWH) continues with construction on the Solano-Runruno access road with road widening, increased concrete coverage, widening and strengthening approaches to some minor bridges. Access to site has reached a very high standard.
- Power facilities infrastructure works continue at the Bayombong Substation which feeds the province of Nueva Vizcaya. The National Grid Corporation of the Philippines (NGCP) has commenced installing a 75MVa transformer to compliment the facilities currently available. The Runruno project will be migrated from the current smaller transform and connected directly to 75MVa transformer on commissioning.
- Discussions are well advanced to finalise a Power Supply Contract during September 2014 or as soon as possible thereafter.
- Work continues on establishment of a Limestone Quarry.
- Land Acquisition is being finalised over the areas to extend the area available to the project.

Environment General environmental programs continue including rehabilitation, reforestation, environmental monitoring, waste management, submission of environmental reports, application and renewal of permits. This extends to include:

- Slope remediation and rehabilitation using fast growing species such as vetiver grass and yellow peanut at the following areas: workshop area, process plant, batch plant, ROM pad, workshop areas and completed drill-pads.
- Extend the Company's mining forest programs using endemism species.
- Planting of endemic species of tress within the project area once dumps and cut faces are finalised.
- Mounting of coco-mats on disturbed slopes and planting of vetiver grass and napier grasses to prevent soil erosion.
- Construction of temporary siltation ponds / silt traps / drainage canals and installation of silt fences.
- Regular in-house environmental monitoring of water, effluent discharge, ambient noise and weather.

Permitting

The second application for a Special Tree Cutting Permit to extend the area permitted to be cut has been submitted and is currently being reviewed by the responsible Government Agencies.

The first tree cutting permit was secured in Q1 2014 and the securing of this permit has mitigated potential project delays.

Community Relations

The Community Development Program (CDP) continues with a broad range of programs but with particular focus on health, education, skills enhancement, livelihood programs and community infrastructure projects. A number of additional projects have been undertaken including the construction of the Barangay Disaster Risk Reduction & Management Office, providing materials to local schools and enhancing educational programs.

Ian Holzberger
Executive Chairman

CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME for the six months ended 30 June 2014

	Note	*6 month period ended 30 June 2014 (unaudited)* £	*6 month period ended 30 June 2013 (unaudited)* £	*year ended 31 December 2013 (audited)* £
Continuing operations				
Revenue		–	–	–
Cost of sales		–	–	–
Gross loss		–	–	–
Administrative expenses		(3,337,821)	(2,474,855)	(5,263,532)
Operating loss		(3,337,821)	(2,474,855)	(5,263,532)
Finance income		29,995	3,283	21,974
Finance costs		(9,447)	(3,720)	(20,819)
		(3,317,273)	(2,475,292)	(5,262,377)
Share of (losses)/gains of associates		(46,909)	21,590	27,382
Fair value loss on derivative financial instruments		(3,123,421)	-	-
Loss before taxation		(6,487,603)	(2,453,702)	(5,234,995)
Taxation		937,026	–	–
Loss for the period		(5,550,577)	(2,453,702)	(5,234,995)
Other comprehensive income:				
Exchange differences on translating foreign operations	3	(1,558,862)	402,462	(7,539,789)
Total comprehensive loss for the period		(7,109,439)	(2,051,240)	(12,774,784)
Loss for the period attributable to equity holders of the parent		(5,550,577)	(2,453,702)	(5,234,995)
Total comprehensive loss attributable to equity holders of the parent		(7,109,439)	(2,051,240)	(12,774,784)
Loss per share:				
Basic and diluted	4	(0.404)p	(0.276)p	(0.489)p

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
as at 30 June 2014

	As at 30 June 2014 (unaudited)	*As at 30 June 2013 (unaudited)*	*As at 31 December 2013 (audited)*
	£	£	£
Non-current assets			
Property, plant and equipment	82,919,511	52,947,426	65,202,837
Goodwill	1,010,816	1,010,816	1,010,816
Other intangible assets	6,995,449	6,754,970	6,827,711
Investment in associate companies	139,946	48,636	54,428
Trade and other receivables	1,633,675	2,215,726	1,987,68
Deferred tax asset	937,026	-	-
	93,636,423	62,977,574	75,083,476
Current assets			
Trade and other receivables	1,384,513	762,477	1,632,201
Cash and cash equivalents	22,249,390	40,621,854	31,947,096
	23,633,903	41,384,331	33,579,297
Current liabilities			
Trade and other payables	(3,699,514)	(2,123,879)	(2,296,214)
	(3,699,514)	(2,123,879)	(2,296,214)
Non-current liabilities			
Long-term borrowings	(11,190,271)	-	-
Derivative financial liabilities	(3,123,421)	-	-
	(14,313,692)	-	-
Net assets	**99,257,120**	**102,238,026**	**106,366,559**
Equity			
Share capital	13,749,721	11,584,695	13,749,721
Share premium account	124,591,071	111,904,020	124,591,071
Shares to be issued reserve	3,652,155	3,652,155	3,652,155
Acquisition of non-controlling interest reserve	(3,785,077)	(3,785,077)	(3,785,077)
Translation reserve	(4,263,146)	5,237,967	(2,704,284)
Profit and loss account	(34,687,604)	(26,355,734)	(29,137,027)
Equity attributable to equity holders of the parent	**99,257,120**	**102,238,026**	**106,366,559**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2014

	Share capital	*Share premium account*	*Shares to be issued reserve*	*Translation reserve*	*Acquisition of non-controlling interest reserve*	*Profit and loss account*	*Total equity*
	£	£	£	£	£	£	£
Balance as at 1 January 2014	13,749,721	124,591,071	3,652,155	(2,704,284)	(3,785,077)	(29,137,027)	106,366,559
Exchange differences on translating foreign operations	-	-	-	(1,558,862)	-	-	(1,558,862)
Loss for the period	-	-	-	-	-	(5,550,577)	(5,550,577)
Total comprehensive loss for the period	-	-	-	(1,558,862)	-	(5,550,577)	(7,109,439)
Balance as at 30 June 2014 (unaudited)	**13,749,721**	**124,591,071**	**3,652,155**	**(4,263,146)**	**(3,785,077)**	**(34,687,604)**	**99,257,120**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Shares to be issued reserve; being the credit side of the entry relating to the expense recognised in the income statement for share based remuneration.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Acquisition of non-controlling interests reserve; being an acquisition of 15% of FCF Minerals Corporation's shares after previous acquisitions which had provided the Group with control of the board of the subsidiary company.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2013

	Share capital	*Share premium account*	*Shares to be issued reserve*	*Translation reserve*	*Acquisition of non-controlling interest reserve*	*Profit and loss account*	*Total equity*
	£	£	£	£	£	£	£
Balance as at 1 January 2013	8,247,431	92,363,607	3,652,155	4,835,505	(3,785,077)	(23,902,032)	81,411,589
Exchange differences on translating foreign operations	-	-	-	402,462	-	-	402,462
Loss for the year	-	-	-	-	-	(2,453,702)	(2,453,702)
Total comprehensive gain/(loss) for the period	-	-	-	402,462	-	(2,453,702)	(2,051,240)
Issue of equity share capital	3,337,264	20,023,581	-	-	-	-	23,360,845
Share issue expenses	-	(483,168)	-	-	-	-	(483,168)
Balance as at 30 June 2013 (unaudited)	**11,584,695**	**111,904,020**	**3,652,155**	**5,237,967**	**(3,785,077)**	**(26,355,734)**	**102,238,026**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Shares to be issued reserve; being the credit side of the entry relating to the expense recognised in the income statement for share based remuneration.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Acquisition of non-controlling interests reserve; being an acquisition of 15% of FCF Minerals Corporation's shares after previous acquisitions which had provided the Group with control of the board of the subsidiary company.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the year ended 31 DECEMBER 2013

	Share capital	Share premium account	Shares to be issued reserve	Translation reserve	Acquisition of non-controlling interest reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
Balance as at 1 January 2013	8,247,431	92,363,607	3,652,155	4,835,505	(3,785,077)	(23,902,032)	81,411,589
Exchange differences on translating foreign operations	-	-	-	(7,539,789)	-	-	(7,539,789)
Loss for the year	-	-	-	-	-	(5,234,995)	(5,234,995)
Total comprehensive loss for the year	-	-	-	(7,539,789)	-	(5,234,995)	(12,774,784)
Issue of equity share capital	5,502,290	33,013,736	-	-	-	-	38,516,026
Share issue expenses	-	(786,272)	-	-	-	-	(786,272)
Balance as at 31 December 2013	**13,749,721**	**124,591,071**	**3,652,155**	**(2,704,284)**	**(3,785,077)**	**(29,137,027)**	**106,366,559**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Shares to be issued reserve; being the credit side of the entry relating to the expense recognised in the income statement for share based remuneration.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Acquisition of non-controlling interest reserve; being an acquisition of 15% of FCF Minerals Corporation's shares after previous acquisitions which had provided the Group with control of the board of the subsidiary company.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT for the period ended 30 June 2014

	6 month period ended 30 June 2014 (unaudited)	*6 month period ended 30 June 2013 (unaudited)*	*year ended 31 December 2013 (audited)*
Operating activities	£	£	£
Loss after taxation	(5,550,577)	(2,453,702)	(5,234,995)
Fair value loss on derivative financial instruments	3,123,421	-	-
Taxation	(937,206)	-	-
Depreciation	1,027,881	242,660	441,951
Amortisation	21,917	27,129	48,382
Share of losses/(gains) of associates	46,909	(21,310)	(27,102)
Net interest (receivable)/payable	(29,995)	3,283	(1,155)
Decrease in receivables	601,697	188,576	439,151
Increase/(decrease) in payables	1,430,300	(369,446)	(440,839)
Foreign exchange differences	-	(537,106)	-
Cash used in operations	(292,473)	(2,919,916)	(4,774,607)
Interest received	29,995	-	21,974
Interest paid	-	(3,283)	(20,819)
Net cash used in operating activities	(262,478)	(2,923,199)	(4,773,452)
Investing activities			
Purchase of intangible assets	(320,589)	(131,045)	(817,300)
Purchase of property, plant and equipment	(19,994,949)	(6,416,169)	(22,346,530)
Investment in associates	(132,427)	-	-
Net cash used in investing activities	(20,447,965)	(6,547,214)	(23,163,830)
Financing activities			
Proceeds from issue of share capital	-	23,360,845	38,516,026
Share issue costs incurred	-	(483,168)	(786,272)
Proceeds from borrowings	11,190,271	-	-
Net cash from financing activities	11,190,271	22,877,677	37,729,754
Net (decrease)/increase in cash and cash equivalents	(9,520,172)	13,407,264	9,792,472
Cash and cash equivalents at beginning of period	31,947,096	26,275,022	26,275,022
Foreign exchange differences	(177,534)	939,568	(4,120,398)
Cash and cash equivalents at end of period	**22,249,390**	**40,621,854**	**31,947,096**

Notes to the condensed consolidated interim financial statements

1. General information

Metals Exploration plc is the parent company of the Group. Its shares are listed on the AIM market of the London Stock Exchange. The registered address of Metals Exploration plc is 200 Strand, London, WC2R 1DJ.

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 September, 2014.

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 Group's statutory accounts for the year ended 31 December 2013 which were prepared under International Financial Reporting Standards ("IFRS") as adopted for use in the European Union, were filed with the Registrar of Companies. The auditors reported on these accounts, their report was unqualified and did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statements under Section 498 (2) or Section 498 (3) of the Companies Act 2006.

2. Basis of preparation

These condensed consolidated interim financial statements are for the six month period ended 30 June 2014. They have been prepared in accordance with IFRS as adopted for use in the European Union with the exception of IAS 34: Interim Financial Reporting. IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Board of Directors expect to be applicable as at 31 December 2014.

These condensed consolidated interim financial statements have been prepared under the historical cost convention.

3. Foreign exchange gains and losses

Foreign exchange gains and losses on intercompany balances between the Company and its subsidiaries are taken to the translation reserve within equity on consolidation.

4. Hedging

Under the terms of the debt financing facility FCF Minerals Corporation, a wholly owned subsidiary of the Company, entered into two hedging arrangements with each of the facility banks: an interest rate hedge for approximately 40% of the interest exposure; and a gold forward sales programme representing a total of 90,000 ounces of gold. The movement in fair value of these derivative financial instruments is charged to the Condensed Consolidated Statement of Total Comprehensive Income and derivative financial liabilities recognised on the Condensed Consolidated Interim Balance Sheet.

Notes to the condensed consolidated interim financial statements (continued)

5. Loss per share

The loss per share was calculated on the basis of net loss attributable to equity shareholders divided by the weighted average number of ordinary shares.

	6 month period ended 30 June 2014 (unaudited) £	*6 month period ended 30 June 2013 (unaudited)* £	*year ended 31 December 2013 (audited)* £
Loss			
Net loss attributable to equity shareholders for the purpose of basic and diluted loss per share	(5,550,577)	(2,453,702)	(5,234,995)
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,374,972,025	889,065,125	1,070,031,076
Basic and diluted loss per share	(0.404)p	(0.276)p	(0.489)p

The basic and diluted loss per share is the same, as the exercise of staff share options and warrants would reduce the loss per share and therefore, are anti-dilutive.

6. Capital Commitments

As at 30 June 2014 the Group had £14,590,000 of outstanding capital commitments (30 June 2013: £11,676,888).

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