WEATHERLY
INTERNATIONAL PLC

Interim financial statements
for the period from 1 July 2016 to 31 December 2016

Registered number: 3954224 (England and Wales)

Weatherly International Plc

("Weatherly" or "the Company")

Interim Results for the Period from 1 July 2016 to 31 December 2016

Weatherly International plc (AIM: WTI), a Namibian focused copper producer, announces its interim results for the period from 1 July 2016 to 31 December 2016.

Operational Summary

- Tschudi production for the half year to 31 December 2016 was 8,137 tonnes Copper Cathode.
- Production C1 costs for the half year were US$ 4,603 per tonne.

Tschudi Production Performance	Half year ended Dec-16	Quarter ended Dec-16	Quarter ended Sep - 16	Full Year ended Jun - 16
Total (Ore + Waste) Mined (000 tonnes)	11,249	5,546	5,703	25,688
Ore Tonnes stacked (000 tonnes)	1,372	702	670	2,732
Ore Stacked grade (per cent)	0.88	0.88	0.89	0.81
Copper Cathode Produced (tonnes)	8,137	4,496	3,641	15,884
C1 Cost (US$/t)	4,603	4,222	5,073	

- Groundwater situation under control with detailed work continuing to design a long-term groundwater solution to reduce production risks and operating costs.
- The Company continues to investigate the opportunity to resume production, at sustainable unit costs, at Otjihase and Matchless.

Financial Summary

- Revenue of US$37.8m for the period compared to US$15.9m for the same period last year.
- Loss before tax of US$11.3M includes finance charges of US$5.2m and foreign exchange gains of US$0.6m.
- Gross loss for the period of U$$4.1m leading to an operating loss of US$6.7m including an impairment of US$1.3m on China Africa Resources plc.
- As at 31 December 2016, the Company had cash reserves of approximately US$8.7m.

Corporate Summary

- Dr Wolf Martinick and Mr Charilaos Stavrakis retired from the Board and will not be replaced in the near term.
- Krzysztof Szymczak, Logiman’s representative on the Board, resigned from the Board following the reduction in Logiman’s shareholding to below 10%.

Post Period

- *It was announced on 23 February 2017 that a rescheduling of repayments in relation to the facility agreement between Orion Mining Finance and Weatherly's subsidiary Ongopolo Mining Limited had been concluded.*

Operations Summary

During the quarter ending June 2016, excessive groundwater inflows restricted the ability to deliver sufficient ore volumes from the open pit to maintain scheduled copper production rates. During the half year under review, the groundwater inflows were brought under control, mined ore volumes improved, and as ore stocks under leach then recovered, cathode production also improved and nameplate production rates were again achieved by October 2016.

The issue of groundwater is now under control and the Company is looking to the design of long-term groundwater management systems. The aim of this is to remove groundwater before it enters the pits, further reducing risks of future mining production delays, as well as to reduce operating costs for dewatering compared to the current in-pit systems.

At Otjihase and Matchless, safe and productive underground mining skills developments are critical to unlocking the opportunity to resume production at sustainable unit costs in future. The Company has identified a low-risk and potentially incrementally cash-generative opportunity to commence with its skills development programme at Otjihase. The Company intends investigating the potential for such skills development to support a strategic goal of achieving 10-12ktpa of contained copper in concentrate from the underground mines at C1 costs below US$ 4,400 per tonne (US$2/lb). The Company plans to study the opportunity further before taking any decisions to proceed.

The Company also announced during the period that it has entered into a Cooperation Agreement with Mr Wilhelm Shali, holder of Exclusive Prospecting License 5772 covering the Ongombo prospect area within 25km of the Otjihase concentrator. The agreement clarifies the intention of the two parties to work together to seek to develop mining prospects in the vicinity of the Otjihase concentrator which may otherwise not be viable. The parties will initially share technical information on their respective projects. Previous holders of prospecting licenses over the Ongombo project reported JORC-compliant resources of 10.5Mt @ 1.6% Cu in 2012.

Financial Summary

Revenue benefitted from an increase in the average sales price of US$4,916 in the half year, up from US$4,692 in the previous six months but volumes sold were 7,855 tonnes, 282t lower than production, leaving revenue at US$37.8m after royalties.

Overall the Company made a Loss before tax of US$11.3m, an operating loss of US$6.7m and a gross loss of US$4.1m.

The loss before tax of US$11.3M includes finance costs of US$5.2m and a foreign exchange gain of US$0.6m.

Included within the operating loss of US$6.7m was a write down in the value of China Africa Resources plc of US$1.3m as the Group's investment was reallocated from an associated company to an investment as a result of dilution due to a share raise. The underlying loss of US$5.4m is after US$7.7m of depreciation consistent with the Group generating an operating cash flow but not at a level that covered interest or capital repayments.

Inventory increased to US$12.9m at the end of December 2016 from US$10.2m at the end of the previous financial year. Cathode inventory increased to 1,553 tonnes at the half year valued at only US$4,307per tonne as a result of the strong December production month. This compares favourably to June where cathode inventory was valued at sales price due to the poor production in June. In addition to the changes in cathode inventory, ore stocks have nearly doubled since June.

While spot copper prices increased notably during the December quarter, the Company advised in January that certain hedges had been implemented prior to that price increase, and during the second half of the financial year the Company currently has prices for 3,400 tonnes of production fixed at US$5,077 per tonne. This hedging position is in addition to the option (but not the obligation) to purchase up to 700 tonnes per month at US$5,000 per tonne until May 2017 held by Orion Mine Finance (Master) Fund I LP (Orion). This was agreed and announced on 2 June 2016 as a fee in consideration of deferred repayment of loan amounts due. Beyond the current financial year the Company has a hedging commitment of 450 tonnes of copper at US$5,102 per tonne.

The Group ended the half year with US$8.7m of cash up from US$5.8m at the end of June. The Group generated US$3.5m of operating cash flow but incurred US$2.8m of investments mostly in property plant and equipment relating to dewatering or the stripping asset and received a working capital loan of US$1.8m from Orion Mine Finance, our off taker, in lieu of inventory at the port that was unsold at year end. There was no forward progress in recovering VAT in Namibia in the half year with US$7.0m due since May 2016.

Corporate Summary

Logiman notified the Company on the 7th December 2016 that their new shareholding was 102,164,832 shares representing 9.6% of the Company. As Logiman's holding is now less than 10% Krzysztof Szymczak tendered his resignation as a director of the Company with immediate effect. This was accepted by the Board.

As part of continuing efforts to minimise costs, in July the Company also announced that Dr Wolf Martinick, the founding Chairman of the Company, and Mr Charilaos Stavrakis have retired from the Board, and will not be replaced in the near term.

Post Period

The Company announced on 23 February 2017 that a rescheduling of repayments in relation to the facility agreement between Orion Mine Finance and Weatherly's subsidiary, Ongopolo Mining Limited, had been concluded.

Weatherly has previously advised that if copper prices remain at current levels it is unlikely that the Company and its subsidiaries will generate sufficient surplus cash to meet all loan repayments when due. This remains the case and the Company continues to positively engage with Orion on the subject.

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About Weatherly

Weatherly is an AIM listed copper mining company operating in Namibia in southern Africa. Its principal assets are one operating open pit copper mine called Tschudi and two underground copper projects called Otjihase and Matchless.

These assets will enable Weatherly to achieve its medium term goal of establishing a mining business capable of sustaining approximately 30,000 tonnes per annum of copper production.

Condensed consolidated income statement
for the period from 1 July to 31 December 2016

	Note	6 months to 31 Dec 2016 US$'000	6 months to 31 Dec 2015 US$'000	Year ended 30 June 2016 US$'000 Audited
Revenue		37,820	15,856	63,653
Cost of sales		(41,964)	(20,367)	(59,938)
Gross (loss) / profit		**(4,144)**	**(4,511)**	**3,715**
Distribution costs		(743)	(768)	(1,736)
Other operating income		56	100	167
Administrative expenses		(657)	(1,524)	(772)
Other operating expenses	4	(1,259)	-	-
Operating (loss) / profit		**(6,747)**	**(6,703)**	**1,374**
Foreign exchange loss		581	(2,089)	(3,905)
Finance costs	3	(5,157)	(2,589)	(8,031)
Finance income		60	89	74
Loss before results of associated company		**(11,263)**	**(11,292)**	**(10,488)**
Share of losses of associated company	4	-	(65)	(124)
Loss before tax		**(11,263)**	**(11,357)**	**(10,612)**
Tax credit		-	-	-
Loss for the year		**(11,263)**	**(11,357)**	**(10,612)**
Loss attributable to:				
Owners of the Parent		(10,872)	(11,035)	(10,389)
Non controlling interests		(391)	(322)	(223)
		(11,263)	**(11,357)**	**(10,612)**
Total and continuing loss per share				
Basic loss per share (US cents)	8	(1.02)	(1.04)	(0.98)
Diluted loss per share (US cents)	8	(1.02)	(1.04)	(0.98)

Condensed consolidated statement of comprehensive income
for the period from 1 July to 31 December 2016

	6 months to 31 Dec 2016 US$'000	6 months to 31 Dec 2015 US$'000	Year ended 30 June 2016 US$'000 Audited
Loss for the year	(11,263)	(11,357)	(10,612)
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translating of foreign operations	-	(140)	(218)
	-	(140)	(218)
Total Comprehensive loss for the period	**(11,263)**	**(11,497)**	**(10,830)**
Total comprehensive loss attributable to:			
Owners of the Parent	(10,872)	(11,175)	(10,607)
Non controlling interests	(391)	(322)	(223)
	(11,263)	**(11,497)**	**(10,830)**

Condensed consolidated statement of financial position
as at 31 December 2016

	Note	As at 31 Dec 2016 US$'000	As at 31 Dec 2015 US$'000	As at 30 June 2016 US$'000 Audited
Assets				
Non-current assets				
Property, plant and equipment	6	115,904	116,509	120,736
Deferred Tax		4,054	3,595	3,760
Investments in associates	4	178	1,698	1,560
Investments	4	124	-	-
Trade and other receivables		526	466	487
		120,786	122,268	126,543
Current assets				
Inventories		12,899	17,129	10,205
Trade and other receivables		11,566	9,692	11,285
Cash and cash equivalents		8,737	2,846	5,843
		33,202	29,667	27,333
Non current assets held for sale	7	772	772	772
		33,974	30,439	28,105
Total assets		**154,760**	**152,707**	**154,648**
Current liabilities				
Trade and other payables		18,920	12,481	14,877
Loans		110,446	20,697	105,378
Inventory loans		1,812	9,996	-
		131,178	43,174	120,255
Non-current liabilities				
Loans		-	80,300	-
Provisions		4,884	-	4,457
		4,884	80,300	4,457
Total liabilities		**136,062**	**123,474**	**124,712**
Net assets		**18,698**	**29,233**	**29,936**
Equity				
Issued capital	5	8,676	8,676	8,676
Share premium reserve	5	22,132	22,132	22,132
Merger reserve		18,471	18,471	18,471
Share-based payments reserve		771	794	746
Foreign exchange reserve		(19,140)	(19,062)	(19,140)
Retained earnings		(11,212)	(1,070)	(340)
Equity attributable to shareholders of the parent company		19,698	29,941	30,545
Non controlling interests		(1,000)	(708)	(609)
		18,698	**29,233**	**29,936**

Condensed consolidated statement of changes in equity
for the period from 1 July to 31 December 2016

	Issued capital	Share premium	Merger reserve	Share-based payment reserve	Translation of foreign operations	Retained earnings	Subtotal	Non controlling interests	Total equity
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
At 1 July 2015	**8,676**	**22,132**	**18,471**	**707**	**(18,922)**	**9,965**	**41,029**	**(386)**	**40,643**
Share based payments	-	-	-	87	-	-	87	-	87
Transactions with owners	-	-	-	87	-	-	87	-	87
Loss for the period	-	-	-	-	-	(11,035)	(11,035)	(322)	(11,357)
Other comprehensive income									
Exchange difference on translation of foreign entities	-	-	-	-	(140)	-	(140)	-	(140)
Total comprehensive loss for the period	-	-	-	-	(140)	(11,035)	(11,175)	(322)	(11,497)
At 31 December 2015	**8,676**	**22,132**	**18,471**	**794**	**(19,062)**	**(1,070)**	**29,941**	**(708)**	**29,233**
At 1 July 2015	**8,676**	**22,132**	**18,471**	**707**	**(18,922)**	**9,965**	**41,029**	**(386)**	**40,643**
Share based payments	-	-	-	123	-	-	123	-	123
Lapsed options and warrants	-	-	-	(84)	-	84	-	-	-
Transactions with owners	-	-	-	39	-	84	123	-	123
Loss for the period	-	-	-	-	-	(10,389)	(10,389)	(223)	(10,612)
Other comprehensive income									
Exchange difference on translation of foreign entities	-	-	-	-	(218)	-	(218)	-	(218)
Total comprehensive loss for the period	-	-	-	-	(218)	(10,389)	(10,607)	(223)	(10,830)
At 30 June 2016	**8,676**	**22,132**	**18,471**	**746**	**(19,140)**	**(340)**	**30,545**	**(609)**	**29,936**
At 1 July 2016	**8,676**	**22,132**	**18,471**	**746**	**(19,140)**	**(340)**	**30,545**	**(609)**	**29,936**
Share based payments	-	-	-	25	-	-	25	-	25
Transactions with owners	-	-	-	25	-	-	25	-	25
Loss for the period	-	-	-	-	-	(10,872)	(10,872)	(391)	(11,263)
Other comprehensive income									
Exchange difference on translation of foreign entities	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(10,872)	(10,872)	(391)	(11,263)
At 31 December 2016	**8,676**	**22,132**	**18,471**	**771**	**(19,140)**	**(11,212)**	**19,698**	**(1,000)**	**18,698**

Condensed consolidated cash flow statement
for the period from 1 July to 31 December 2016

	6 months to 31 Dec 2016 US$'000	6 months to 31 Dec 2015 US$'000	Year to 30 June 2016 US$'000 Audited
Cash flows from operating activities			
Loss for the year before tax	(11,263)	(11,357)	(10,612)
Adjusted by:			
Depreciation and amortisation	7,673	4,505	14,258
Share-based payment expenses	25	87	123
Unrealised exchange losses	(332)	1,903	-
Loss of associated company	1,259	65	124
Exchange movement on pledged cash	(75)	301	-
Finance costs	5,157	2,589	8,031
Finance income	(60)	(89)	(74)
	2,384	**(1,996)**	**11,850**
Movements in working capital			
Increase in inventories	(2,694)	(5,552)	(6,873)
(Increase) / decrease in trade and other receivables	(281)	2,015	(14)
Increase / (decrease) in trade and other payables	4,043	(7,820)	(5,424)
Net cash used in by operating activities	**3,452**	**(13,353)**	**(461)**
Cash flows used in investing activities			
Interest received	60	89	74
Payments for intangibles, property, plant and equipment	(2,840)	(6,342)	(6,462)
increase in pledged cash	(41)	-	216
Net cash used in investing activities	**(2,821)**	**(6,253)**	**(6,172)**
Cash flows from financing activities			
Repayment of loans	(16)	(174)	(219)
Receipt of loans	-	8,000	8,000
Increase / (decrease) in working capital loans	1,832	9,016	(980)
Interest and finance charges	-	(37)	(116)
Net cash from financing activities	**1,816**	**16,805**	**6,685**
Increase / (decrease) in cash	**2,447**	**(2,801)**	**52**
Reconciliation to net cash			
Cash at beginning of period	4,498	5,211	5,211
Increase in cash	2,447	(2,801)	52
Foreign exchange gains losses	331	(824)	(765)
Net cash at end of period	**7,276**	**1,586**	**4,498**
Cash balance for cash flow purposes	7,276	1,586	4,498
Cash held for payment guarantees	1,461	1,260	1,345
Cash in balance sheet	**8,737**	**2,846**	**5,843**

Notes to the condensed consolidated financial statements
for the period 1 July to 31 December 2016

1. a. Basis of preparation

These interim condensed consolidated financial statements are for the six months ended 31 December 2016. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2016. The information included in these interim condensed consolidated financial statements in respect of the year ended 30 June 2016 does not constitute all the information required for annual statutory accounts at that date.

These financial statements have been prepared under the historical cost convention, except for revaluation of certain properties and financial instruments.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2016.

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

b. Nature of operations and general information

Weatherly International plc and its subsidiaries' (“the group”) principal activities include the mining and sale of copper cathode and copper concentrate.

Weatherly International plc is the group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The address of Weatherly International plc's registered office, which is also its principal place of business, is Orion House, Bessemer Road, Welwyn Garden City AL7 1HH. The company’s shares are listed on the Alternative Investment Market of the London Stock Exchange.

Weatherly International's consolidated interim financial statements are presented in United States dollars (US$), which is also the functional currency of the parent company.

These consolidated condensed interim financial statements have been approved for issue by the Board of Directors on 23 February 2017.

The financial information for the period ended 31 December 2016 set out in this interim report does not constitute statutory accounts as defined by the Companies Act 2006. The Group’s statutory financial statements for the year ended 30 June 2016 have been filed with the Registrar of Companies.

c. Going Concern

The Group incurred a loss before tax of US$11.3m during the 6 months ended 31 December 2016 and, at that date, had net current liabilities of US$98.0m.

On 23 February 2017 under the Amended Facility with Orion Mine Finance, the first repayment of Facility B and the repayments of Facility C and Facility D all of which were due on 28 February 2017 have all been deferred to 30 April 2017 and interest accruing on the loan made under Facility B, Facility C and Facility D capitalised. Orion agreed effective until 30 April 2017, to limit its acceleration and enforcement rights during this period on the terms set forth in the Amended Facility. Repayments due on 30 April 2017 amount to US$17.6m.

If copper prices remain at current levels it is unlikely that the Group will generate sufficient surplus cash to meet subsequent loan repayments and the Group’s going concern will be dependent on Orion’s continued support, of which there is no certainty.

Notes to the consolidated financial statements
for the period from 1 July to 31 December 2016

The directors believe that with the support of Orion to defer loan repayments, Tschudi can generate sufficient surplus funds for the Group to remain as a going concern. However there are a number of uncertainties around the assumptions that have a potentially negative impact on the Group’s ability to deliver the forecast cash flows.

These are:

- That Tschudi is able to achieve and maintain nameplate production levels of 1,400t of copper cathode a month throughout the period. The risks of not achieving this revolve around not being able to mine and process sufficient ore tonnes to achieve this output as well as the leach time and metallurgical recovery rates remaining in line with the feasibility study as we mine into different types of ore.
- Copper price fluctuations not having a further material adverse affect on the Group’s profitability.
- As the Group’s revenue streams are converted from US dollars to Namibian dollars exchange rate fluctuations could have a material adverse effect on the Group’s profitability.
- The timing of income is uncertain. Sales are dependent on the date our customer, Orion, ships the copper cathode. The Group recovers VAT receipts in Namibia, the timing of which is uncertain.

The likely ongoing need for Orion’s support along with the above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Group financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Notes to the consolidated financial statements
for the period from 1 July to 31 December 2016

2. Segmental reporting

Business segments
In identifying its operating segments, management generally follows the physical location of its mines.

The activities undertaken by the Tschudi segment include the sale of copper cathode from the Tschudi mine. The activities undertaken by the Central Operations segment include the sale of copper concentrate from Otjihase and Matchless mines. The revenues of Otjihase and Matchless are indistinguishable as the ore coming from both mines passes through the same concentrator and the two mines are viewed as one operating unit.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches.

The measurement policies the group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

The group's operations are located in Namibia and the UK. The operating segments are located in Namibia, while the corporate function is carried out in London.

Segment information about these businesses is presented below.

Period ended 31 December 2016

	Central Operations US$'000	Tschudi US$'000	Consolidated US$'000
Sales and other operating revenues			
External sales	10	37,810	37,820
Segment revenues	10	37,810	37,820

Segmental loss	Central Operations US$'000	Tschudi US$'000	Consolidated US$'000
Segmental operating loss	(1,646)	(3,290)	(4,936)
Other operating expenses			(1,260)
Unallocated expenses			(551)
Unrealised foreign exchange gain			581
Interest expense			(5,157)
Interest income			60
Loss before associated company			(11,263)

	Central Operations US$'000	Tschudi US$'000	Total US$'000
Segment assets	10,402	143,354	153,756
Unallocated assets			1,004
Total assets			154,760

Year ended 30 June 2016 (Audited)	Central Operations	Tschudi	Consolidated
Sales and other operating revenues	US$'000	US$'000	US$'000
External sales	6,662	56,991	63,653
Segment revenues	6,662	56,991	63,653

Segmental profit	Central Operations US$'000	Tschudi US$'000	Consolidated US$'000
Segmental operating profit	(6,316)	5,653	(663)
Unallocated expenses			(1,752)
Disposal of option to buy Tsumeb tailings dam			3,789
Unrealised foreign exchange loss			(3,905)
Interest expense			(8,031)
Interest income			74
Loss before associated company			(10,488)

	Central Operations US$'000	Tschudi US$'000	Total US$'000
Segment assets	10,602	142,217	152,819
Unallocated Corporate assets			1,829
Total assets			154,648

Period ended 31 December 2015	Central Operations	Tschudi	Consolidated
Sales and other operating revenues	US$'000	US$'000	US$'000
External sales	7,098	8,758	15,856
Segment revenues	7,098	8,758	15,856

Segmental profit	Central Operations US$'000	Tschudi US$'000	Consolidated US$'000
Segmental operating profit	(5,172)	(651)	(5,823)
Unallocated expenses			(880)
Unrealised foreign exchange gain			(2,089)
Interest expense			(2,589)
Interest income			89
Profit before associated company			(11,292)

	Central Operations US$'000	Tschudi US$'000	Total US$'000
Segment assets	19,995	130,339	150,334
Unallocated Corporate assets			2,373
Total assets			152,707

Notes to the consolidated financial statements
for the period from 1 July to 31 December 2016

3. Finance costs

	6 months to 31 Dec 2016 US$'000	6 months to 31 Dec 2015 US$'000	Year ended 30 June 2016 US$'000 Audited
Bank	-	37	40
Orion Mine Finance Tranche A/ Louis Dreyfus Commodities Metals Suisse SA Loans	-	76	76
Orion Mine Finance Tranche B, C and D.	5,085	4,230	9,481
Environmental liability	72	-	269
Finance costs capitalised as part of the construction of the Tschudi open pit	-	(1,754)	(1,835)
Total finance costs	**5,157**	**2,589**	**8,031**

4. Share of losses of associated company

On 14th December 2016 the shareholders of China Africa Resources plc (CAR) agreed to an in-specie dividend of its subsidiary China Africa Resources Namibia (pty) Ltd (CARN) to its existing shareholders. At the same time the shareholders approved a placing and subscription that reduced Weatherly's shareholding in CAR to 7.61%. As a result Weatherly's shareholding in CAR is treated as an investment at 31 December 2016 and valued at the share price at that date. The difference between this valuation and that at 30 June 2016 has been expensed to Other Operating Expenses in the income statement. CARN has been valued in accordance within CAR's subscription agreement and is classified as an associate company in the Statement of Financial Position and credited to Other Operating Expenses in the income statement.

5. Share issues

	Number	US$'000
At 30 June 2015	1,060,803,192	30,808
Issue of shares	-	-
At 31 December 2015	777,247,010	30,808
Issue of shares	-	-
At 30 June 2016	1,060,803,192	30,808
Issue of shares	-	-
At 31 December 2016	1,060,803,192	30,808

Notes to the consolidated financial statements
for the period from 1 July to 31 December 2016

6. Property, plant and equipment

	Freehold property	Plant and machinery	Development costs	Environmental asset	Assets under construction	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Period ended 31 December 2016						
Cost or valuation:						
At 1 July 2016	21,393	92,821	39,288	5,029	-	158,531
Additions	37	1,733	1,070	-	-	2,840
At 31 December 2016	21,430	94,554	40,358	5,029	-	161,371
Depreciation:						
At 1 July 2016	(8,947)	(25,857)	(2,614)	(377)	-	(37,795)
Provided during the period	(716)	(4,507)	(2,209)	(241)	-	(7,673)
At 31 December 2016	(9,663)	(30,364)	(4,823)	(618)	-	(45,468)
Net book value at 31 December 2016	11,767	64,190	35,535	4,411	-	115,903
Period ended 31 December 2015						
Cost or valuation:						
At 1 July 2015	21,369	88,732	33,250	-	1,349	144,700
Additions	-	40	7,249	-	3,084	10,373
reclassification to inventory			(8,245)	-		(8,245)
At 31 December 2015	21,369	88,772	32,254	-	4,433	146,828
Depreciation:						
At 1 July 2015	(7,535)	(16,002)	-	-	-	(23,537)
Provided during the period	(693)	(4,827)	(1,262)	-	-	(6,782)
At 31 December 2015	(8,228)	(20,829)	(1,262)	-	-	(30,319)
Net book value at 31 December 2015	13,141	67,943	30,992	-	4,433	116,509
Year ended 30 June 2016 (Audited)						
Cost or valuation:						
At 1 July 2015	21,369	88,732	33,250	4,751	1,349	149,451
Additions	24	2,740	6,038	278	-	9,080
Transfer	-	1,349	-	-	(1,349)	-
At 30 June 2016	21,393	92,821	39,288	5,029	-	158,531
Depreciation:						
At 1 July 2015	(7,535)	(16,002)	-	-	-	(23,537)
Provided during the year	(1,412)	(9,855)	(2,614)	(377)	-	(14,258)
At 30 June 2016	(8,947)	(25,857)	(2,614)	(377)	-	(37,795)
Net book value at 30 June 2016	12,446	66,964	36,674	4,652	-	120,736

Notes to the consolidated financial statements
for the period from 1 July to 31 December 2016

7. Assets held for sale

	Freehold Property US$'000
Balance at 31 December 2016, 30 June 2016 and 31 December 2015	772

8. Earnings per share

	6 months to 31 Dec 2016 US$'000	6 months to 31 Dec 2015 US$'000	Year ended 30 June 2016 US$'000 Audited
Continuing profit attributable to parent company	(10,872)	(11,035)	(10,389)
Weighted average number of ordinary shares in issue during the period - basic earnings per share	1,060,803,192	1,060,803,192	1,060,803,192

Total and continuing earnings per share	6 months to 31 Dec 2016 US$'000	6 months to 31 Dec 2015 US$'000	Year ended 30 June 2016 US$'000
Basic earnings per share (US cents)	(1.02)	(1.04)	(0.98)
Diluted earnings per share (US cents)	(1.02)	(1.04)	(0.98)

The calculation of the basic earnings per share is based on the profit attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the profit and weighted average number of shares used in the calculations are set out below.

Where a loss has been incurred for the period, the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.