

ECR MINERALS plc
("ECR Minerals", "ECR" or the "Company")

AIM: ECR
US OTC: MTGDY

**UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2014 AND UPDATE**

London: 27 June 2014 - ECR Minerals plc is pleased to provide its unaudited interim results for the six months to 31 March 2014 along with the following update on its activities.

HIGHLIGHTS

- * Exploration underway at Itogon gold project in Philippines and SLM gold project in Argentina; positive results obtained from first phase drilling at Itogon and second phase being planned
- * Potential new projects being selectively reviewed, with emphasis on projects that could complement ECR's existing strengths
- * Progress being made towards release of Mercator Gold Australia from administration

REPORT OF CHIEF EXECUTIVE OFFICER

The six months to 31 March 2014 were a highly significant period for ECR and saw the Company successfully transition from essential restructuring to the implementation of exploration programmes at two gold projects.

In December 2013 the final condition for the commencement of ECR's earn-in to a 50% interest in the Itogon gold project in the Philippines was satisfied, and accordingly work then began on the ground. Most significantly, the Company has completed an initial phase of drilling at Itogon, with positive results announced on 29 May 2014. Highlights included mineralised intervals (apparent width) of 18m at 17.14 g/t gold from surface in hole ERC008 (inc. 2m at 119.53 g/t gold) and 30m at 1.63 g/t gold from surface in hole ERC004 (inc. 2m at 7.08 g/t gold from 0-2m).

Planning for a second phase of drilling at Itogon is now underway utilising 3D modelling of first phase results. Aside from drilling, other exploration activities continue, as summarised in ECR's announcement dated 26 June 2014. Positive results from a first phase of surface and underground channel sampling at Itogon were announced on 19 May 2014, and a second phase is now underway. Results from the first phase included mineralised intercepts in surface channels of 18m at 8.006 g/t gold, 40m at 2.338 g/t gold and 22m at 1.883 g/t gold. Sampling within underground workings returned grades of up to 48.400 g/t gold.

In November 2013 the decision was made to resume significant activities at the SLM gold project in Argentina, which is 100% owned by ECR's wholly owned subsidiary Ochre Mining SA ("Ochre"). Since then activities have consisted mainly of reconnaissance mapping and sampling, and review and reinterpretation of historical data. These activities have focused on the southern part of the SLM project area, which had previously undergone only very limited evaluation by Ochre, and particularly on a prospect known as the JV-14 zone. A drilling programme has been planned for JV-14, subject to the results of a programme of sampling historical exploration trenches which is now underway. More details of the trench sampling programme can be found in ECR's announcement dated 24 June 2014.

ECR's approach to both the Itogon and SLM projects is to cost effectively evaluate their economic potential, with a view to identifying the optimum route by which to maximise their value to ECR, and ultimately to ECR shareholders. The Company also continues to selectively evaluate potential new projects, always with keen awareness that any acquisition should build on ECR's strengths and contribute to a whole that is greater than the sum of its parts.

The end goal for any mineral project must always be production, and ECR places emphasis on identifying and operating projects where the Company believes realistic scope for eventual production exists. This will be determined by a range of technical, financial and political factors. Perfect opportunities to put a

mine quickly into production become available exceedingly rarely, and there are almost always questions to be answered with a given project, a process which inevitably takes time and money. But answering these questions and demonstrating a viable path to production, and if appropriate moving a project to the end of that path, is the business model of ECR, and can we believe be very rewarding to shareholders.

Away from ECR's core projects, the Company has a shareholding of approximately 14% (fully diluted 15%) in THEMAC Resources Group Ltd (TSX-V: MAC), which is focused on the Copper Flat copper-gold-molybdenum-silver project in New Mexico, USA. The results of a definitive feasibility study (DFS) were announced by THEMAC in November 2013, and we await further developments.

Last but not least, ECR's 100% owned Australian subsidiary Mercator Gold Australia Pty Ltd ("MGA") remains in administration, where it has lain since 2008 (prior to the tenure of any of ECR's present directors). ECR is advised that the primary matter to be resolved before MGA can be released from administration is the assignment to Main Roads Western Australia of an insurance claim made under a public liability insurance policy held by MGA, and that progress is being made in this area. Once MGA has been released from administration, an appropriate activity can be sought for the company in light of its estimated A\$80 million of tax losses.

FINANCIAL RESULTS

For the six months ended 31 March 2014 the financial statements of the Company as consolidated with its subsidiaries (the "Group") record a total comprehensive expense of £986,553, including £94,323 of losses on exchange translation. The majority of the total comprehensive expense arises as a result of a fall in the fair value of ECR's holding in THEMAC, which consists of both shares and share purchase warrants. This compares with a total comprehensive expense of £4,962,352 for the six months ended 31 March 2013, a figure which also arose primarily due to a (much larger) fall in the fair value of ECR's holding in THEMAC.

The Group's net assets were £5,282,905 at 31 March 2014 compared with £5,801,775 at 31 March 2013, reflecting the substantial decline in the value of ECR's holding in THEMAC over the six months to 31 March 2014 as well as over the preceding six months to 30 September 2013. This decline was partially offset by larger figures for exploration assets and cash and cash equivalents at 31 March 2014 versus 31 March 2013.

Another notable change to the consolidated statement of financial position as compared with that at 31 March 2013 is that at 31 March 2014 and presently, the Group has no interest bearing borrowings, or in other words no debt. This is thanks to the redemption of all the Company's convertible loan notes in August 2013.

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FORWARD LOOKING STATEMENTS

This announcement may include forward looking statements. Such statements may be subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from current expectations. There can be no assurance that such statements will prove to be accurate and therefore actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward looking statements. Any forward looking statements contained herein speak only as of the date hereof (unless stated otherwise) and, except as may be required by applicable laws or regulations (including the AIM Rules for Companies), the Company disclaims any obligation to update or modify such forward looking statements as a result of new information, future events or for any other reason.

Consolidated income statement

For the six months ended 31 March 2014

| | Six months ended 31 March 2014 | Six months ended 31 March 2013 | Year ended 30 September 2013 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| | £ | £ | £ |
| Continuing operations | | | |
| Exploration expenses | (20,677) | (4,726) | – |
| Other administrative expenses | (314,258) | (287,209) | (980,527) |
| Impairment of available for sale financial assets | – | – | (26,216) |
| Reclassification of fair value movements on impairment of available for sale assets | (525,310) | – | (2,317,004) |
| Currency exchange differences | – | (1,239) | (2,811) |
| Impairment of other current assets | – | – | (38,282) |
| Total expenses | (860,245) | (293,174) | (3,364,840) |
| Operating loss | (860,245) | (293,174) | (3,364,840) |
| Loss on extinguishment of debt by equity | – | – | (68,119) |
| Loss on revaluation of financial assets at fair value through profit and loss | (138,752) | (2,034,425) | (2,434,564) |
| Loss on disposal of available for sale financial assets | (3,347) | (33,899) | (327,739) |
| Reclassification of fair value movements on disposal of available for sale assets | – | – | (702,919) |
| | (1,002,344) | (2,361,498) | (6,898,181) |
| Finance income | 423 | 23 | 78 |
| Financial expense | 109,691 | (285,985) | (622,769) |
| Finance income and costs | 110,114 | (285,962) | (622,691) |
| Loss for the period before taxation | (892,230) | (2,647,460) | (7,520,872) |
| Income tax | – | – | – |
| Loss for the period from continuing operations | (892,230) | (2,647,460) | (7,520,872) |
| Discontinued operations | | | |
| Profit from discontinued operations | – | 171,040 | 200,276 |
| Loss for the period | (892,230) | (2,476,420) | (7,320,596) |
| Loss attributable to: | | | |
| Owners of the parent | (892,230) | (2,467,195) | (7,311,371) |
| Non-controlling interests | – | (9,225) | (9,225) |
| | (892,230) | (2,476,420) | (7,320,596) |
| Earnings/(loss) per share – basic and diluted | | | |
| On continuing operations | (0.03)p | (0.27)p | (0.49)p |
| On discontinued operations | – | 0.02p | 0.01p |
| On continuing and discontinued operations | (0.03)p | (0.25)p | (0.48)p |

Consolidated statement of comprehensive income

For the six months ended 31 March 2014

| | Six months ended 31 March 2014 | Six months ended 31 March 2013 | Year ended 30 September 2013 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| | £ | £ | £ |
| Loss for the period | (892,230) | (2,476,420) | (7,320,596) |
| Items that are or may be reclassified subsequently to profit or loss | | | |
| Fair value movements on available for sale assets | – | (2,341,874) | (3,093,554) |
| Reclassification of fair value movements to Income Statement: | | | |
| on disposal of available for sale assets | – | – | 702,919 |
| on impairment of available for sale assets | – | – | 2,317,004 |
| Reclassification of exchange differences to Income Statement on disposal of foreign subsidiary | – | (135,518) | (135,518) |
| Losses on exchange translation | (94,323) | (8,540) | (7,846) |
| Other comprehensive income for the period | (94,323) | (2,485,932) | (216,995) |
| Total comprehensive expense for the period | (986,553) | (4,962,352) | (7,537,591) |
| Attributable to: | | | |
| Owners of the parent | (986,553) | (4,953,127) | (7,528,366) |
| Non-controlling interest | – | (9,225) | (9,225) |
| Total comprehensive (expense) for the period | (986,553) | (4,962,352) | (7,537,591) |

Consolidated statement of financial position

At 31 March 2014

| | As at 31 March 2014 | As at 31 March 2013 | As at 30 September 2013 |
|---|------------------------|------------------------|----------------------------|
| | £ | £ | £ |
| Assets | | | |
| Non-current assets | | | |
| Property plant and equipment | 492 | 1,674 | 711 |
| Exploration assets | 1,032,276 | 821,702 | 894,145 |
| Other non-current assets | – | 32,654 | – |
| Other receivables | 3,228,390 | 3,228,390 | 3,228,390 |
| Total non-current assets | 4,261,158 | 4,084,420 | 4,123,246 |
| Current assets | | | |
| Trade and other receivables | 5,088 | 195,883 | 30,099 |
| Available for sale financial assets | 432,869 | 2,160,805 | 978,453 |
| Other financial assets | 90,062 | 628,954 | 228,814 |
| Taxation | 39,192 | 3,692 | 19,699 |
| Other current assets | 2,672 | 2,672 | 2,672 |
| Cash and cash equivalents | 599,431 | 74,539 | 1,238,562 |
| Restricted cash | – | 200,000 | – |
| | 1,169,314 | 3,266,545 | 2,498,299 |
| Assets in disposal groups classified as held for sale | – | – | – |
| | 1,169,314 | 3,266,545 | 2,498,299 |
| Total assets | 5,430,472 | 7,350,965 | 6,621,545 |
| Current liabilities | | | |
| Trade and other payables | 147,567 | 447,359 | 352,087 |
| Current taxation | – | – | – |
| Interest bearing borrowings | – | 1,101,831 | – |
| Provision for costs | – | – | – |
| Total liabilities | 147,567 | 1,549,190 | 352,087 |
| Net assets | 5,282,905 | 5,801,775 | 6,269,458 |
| Equity attributable to owners of the parent | | | |
| Share capital | 10,453,946 | 8,290,795 | 10,453,946 |
| Share premium | 40,096,112 | 39,249,014 | 40,096,112 |
| Exchange reserve | (89,272) | 4,357 | 5,051 |
| Other reserves | 351,760 | 473,733 | 351,760 |
| Retained losses | (45,529,641) | (42,216,124) | (44,637,411) |
| | 5,282,905 | 5,801,775 | 6,269,458 |
| Non controlling interests | – | – | – |
| Total equity | 5,282,905 | 5,801,775 | 6,269,458 |

Consolidated statement of changes in equity

For the six months ended 31 March 2014

| | Share capital | Share premium | Exchange reserves | Other reserves | Retained reserves | Non-controlling interest | Total equity |
|---|-------------------|-------------------|-------------------|----------------|---------------------|--------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| At 1 October 2012 | 8,104,909 | 38,894,900 | 148,415 | 473,733 | (37,436,291) | 38,461 | 10,224,127 |
| Loss for the period | – | – | – | – | (2,467,195) | (9,225) | (2,476,420) |
| Reclassification of exchange differences on disposal of subsidiary Available for sale financial assets fair value movements | – | – | (135,518) | – | – | – | (135,518) |
| Loss on exchange translation | – | – | (8,540) | – | – | – | (8,540) |
| Total comprehensive loss | – | – | (144,058) | – | (4,809,069) | (9,225) | (4,962,352) |
| Adjustment on disposal of subsidiary | – | – | – | – | 29,236 | (29,236) | – |
| Issue of shares | 185,886 | 354,114 | – | – | – | – | 540,000 |
| At 31 March 2013 | 8,290,795 | 39,249,014 | 4,357 | 473,733 | (42,216,124) | – | 5,801,775 |
| Loss for the period | – | – | – | – | (4,844,176) | – | (4,844,176) |
| Available for sale financial assets fair value movements | – | – | – | – | (751,680) | – | (751,680) |
| Reclassification of fair value movements to Income Statement : | | | | | | | |
| on disposal of available for sale assets | – | – | – | – | 702,919 | – | 702,919 |
| on impairment of available for sale assets | – | – | – | – | 2,317,004 | – | 2,317,004 |
| Loss on exchange translation | – | – | 694 | – | – | – | 694 |
| Total comprehensive loss | – | – | 694 | – | (2,575,933) | – | (2,575,239) |
| Share options lapsed | – | – | – | (154,440) | 154,440 | – | – |
| Conversion of loan notes | 629,168 | 97,533 | – | (97,533) | – | – | 629,168 |
| Shares issued for loans advanced | 198,327 | 347,273 | – | – | – | – | 545,600 |
| Shares issued in payment of creditors | 120,513 | 82,915 | – | – | – | – | 203,428 |
| Share issue costs | – | (60,480) | – | – | – | – | (60,480) |
| Share based payments | – | – | – | 130,000 | – | – | 130,000 |
| Share warrants exercised | 392,500 | 392,500 | – | – | – | – | 785,000 |
| Issue of shares | 822,643 | (12,643) | – | – | – | – | 810,000 |
| Adjustment on disposal of subsidiaries | – | – | – | – | 206 | – | 206 |
| At 30 September 2013 | 10,453,946 | 40,096,112 | 5,051 | 351,760 | (44,637,411) | – | 6,269,458 |
| Loss for the period | – | – | – | – | (892,230) | – | (892,230) |
| Loss on exchange translation | – | – | (94,323) | – | – | – | (94,323) |
| Total comprehensive loss | – | – | (94,323) | – | (892,230) | – | (986,553) |
| Issue of shares | – | – | – | – | – | – | – |
| At 31 March 2014 | 10,453,946 | 40,096,112 | (89,272) | 351,760 | (45,529,641) | – | 5,282,905 |

Consolidated cash flow statement

For the six months ended 31 March 2014

| | Six months ended 31 March 2014 £ | Six months ended 31 March 2013 £ | Year ended 30 September 2013 £ |
|--|--|--|--------------------------------------|
| Operating activities | | | |
| Net cash flow used in operations | (366,017) | (132,201) | (507,582) |
| Investing activities | | | |
| Purchase of property plant and equipment | – | – | (8,345) |
| Increase in exploration assets | (284,561) | (25,905) | (148,336) |
| Loan to former subsidiary | – | – | – |
| Proceeds from sale of subsidiary | – | – | 76,030 |
| Investment in available for sale asset | (45,538) | – | – |
| Net cash outflow from sale of subsidiary | – | (226,491) | – |
| Proceeds from sale of available for sale financial assets | 62,697 | 109,408 | 220,628 |
| Cash disposed with subsidiary | – | – | (257,131) |
| Interest received | 423 | 23 | 78 |
| Net cash generated / (used) in investing activities | (266,979) | (142,965) | (117,076) |
| Financing activities | | | |
| Proceeds from issue of share capital | – | 540,000 | 2,135,000 |
| Transfer into restricted cash | – | – | 250,000 |
| Loan advances received | – | – | 243,287 |
| Repayment of convertible loan notes | – | (240,581) | (392,500) |
| Finance costs on fundraising | – | (316,338) | (60,480) |
| Bank loan repaid | – | – | (286,946) |
| Interest paid on convertible loan notes | – | (46,947) | (63,041) |
| Interest paid – other | (243) | – | (513,281) |
| Net cash from financing activities | (243) | (63,866) | 1,312,039 |
| Net change in cash and cash equivalents | (633,239) | (339,032) | 687,381 |
| Cash and cash equivalents at beginning of the period | 1,238,562 | 479,397 | 479,397 |
| Effect of change in exchange rates | (5,892) | (65,826) | 71,784 |
| Cash and cash equivalents at end of the period | 599,431 | 74,539 | 1,238,562 |

Notes to the condensed interim financial statements

For the six months ended 31 March 2014

1. Basis of preparation

The condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries (the "Group") made up to 31 March 2014. The results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union and implemented in the UK. 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 September 2013. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 September 2013. The report of the auditors on those accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, but did include a reference to matters which the auditors drew attention to by way of emphasis without qualifying their report.

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

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the six months ended 31 March 2014 and 31 March 2013 is unaudited. The comparative figures for the period ended 30 September 2013 were derived from the Group's audited financial statements for that period as filed with the Registrar of Companies. They do not constitute the financial statements for that period.

2. Amount owed by a former subsidiary

The amount of £3,228,390 due from MGA, classified as other receivables due after more than one year, is the best estimate of the directors of the Company (the "Directors") as to the amount recoverable and is stated after an impairment provision made in previous years of £31,849,884 and in the context of the following.

MGA is currently subject to a Deed of Company Administration (DOCA) and has no tangible assets. Control of MGA will not pass back to the Group until the DOCA has been fully effectuated and the creditors of MGA have been dealt with completely by the deed administrators. Although the Company remains MGA's sole shareholder, MGA will be referred to as a former subsidiary until control has been regained.

It is estimated that the full amount of tax losses accumulated by MGA currently totals approximately A\$80,000,000. Advice to date indicates that these tax losses are available for use against future profits of MGA subject to certain conditions. The success of work completed to date to confirm the tax losses leads the Directors to believe that in due course a business project with the capacity to generate surplus funds in MGA that would enable it to repay the amount due to the Company and the Group will be identified.

To recover the amount due from MGA, the Company and the Group are dependent on MGA being able to generate sufficient surplus funds from future projects. The amount that may ultimately be receivable by the Company and the Group may be more or less than that shown above and this balance represents management's best estimate of the amount that will be recoverable. The interim financial statements do not include the adjustments that would result if MGA were to be unable to generate sufficient surplus funds to settle the amount due to the Company and the Group.

3. Going concern

The Directors are satisfied that the Company has sufficient resources to continue its operations and to meet its commitments for the immediate future. The group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements

Notes to the condensed interim financial statements

For the six months ended 31 March 2014

4. Cash and cash equivalents

Cash includes petty cash and cash held in bank current accounts. Cash equivalents include short-term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

5. Profit/(loss) per share

| | Six months ended 31 March 2014 | Six months ended 31 March 2013 | Year ended 30 September 2013 |
|---|--------------------------------------|--------------------------------------|------------------------------------|
| Weighted number of shares in issue during the year | 3,259,129,317 | 1,001,144,046 | 1,526,068,537 |
| | £ | £ | £ |
| (Loss) from continuing operations attributable to owners of the parent | (892,230) | (2,647,459) | (7,520,872) |
| Profit from discontinued operations attributable to owners of the parent | – | 171,040 | 209,501 |
| (Loss) from continuing and discontinued operations attributable to owners of the parent | (892,230) | (2,476,419) | (7,311,371) |

There is no dilutive effect of share options on the profit for the current period.

6. Deferred tax

No deferred tax liability arises on the fair value movements on the available for sale investments as any gain/loss on disposal will be exempt from tax.

7. Other investments

THEMAC warrants

Losses in the fair values of the warrants have been recorded as a loss on revaluation of investments in the income statement. The fair value of the warrants is calculated using the Black-Scholes-Merton model with reference to the share price of THEMAC, which is listed on the TSX Venture Exchange, at the balance sheet date.

8. Related party transactions

The Directors are the only key management.

There were no related party transactions during the period.

9. Share issues during the period

No shares were issued during the period.

Notes to the condensed interim financial statements

For the six months ended 31 March 2014

10. Cash flow statement

| | Six months ended 31 March 2014 £ | Six months ended 31 March 2013 £ | Year ended 30 September 2013 £ |
|---|---|---|---|
| Operating activities | | | |
| Loss for the period, before tax | (892,230) | (2,684,876) | (7,320,596) |
| Adjustments: | | | |
| Depreciation expense, property, plant and equipment | – | 1,354 | 1,662 |
| Loss on disposal of property, plant and equipment | – | 33,899 | – |
| Recycling of exchange differences on disposal of subsidiary | – | – | (135,518) |
| Gain on disposal of assets in disposal group | – | – | (95,508) |
| Provision and impairment of investment and loans | 525,310 | – | 3,046,139 |
| Impairment of other current assets | – | – | 38,282 |
| Loss on extinguishment of debt | – | – | 68,119 |
| (Gain)/loss on available for sale financial assets | (11,871) | – | 327,739 |
| Interest income | (423) | (23) | (78) |
| Loss on revaluation of investments | 138,752 | 2,034,424 | 2,434,564 |
| Issue costs amortised – convertible loan notes | – | 2,572 | 6,695 |
| Interest paid on convertible loan | – | 124,955 | 616,074 |
| Interest expense - other | 243 | 158,458 | – |
| Share based payments | – | – | 130,000 |
| Decrease in accounts receivable | 76,743 | 153,223 | 607,807 |
| Increase/(decrease) in accounts payable | (202,541) | 43,813 | 93,523 |
| Decrease in inventories | – | – | (415,718) |
| Shares issued in lieu of expense payments | – | – | 89,232 |
| Net cash flow used in operations | (366,017) | (132,201) | (507,582) |

11. Post period end events

Please refer to the report of the Chief Executive Officer.