ECR MINERALS plc
(“ECR Minerals”, “ECR” or the “Company”)

AIM: ECR
US OTC: MTGDY

UNAUDITED HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2017 AND UPDATE

LONDON: 30 JUNE 2017 - The directors of ECR Minerals plc (the “Directors”) are pleased to announce the Company’s unaudited half-yearly results for the six months to 31 March 2017, along with an update on the Group’s activities.

CHIEF EXECUTIVE OFFICER’S REPORT

This report is written at an exciting time for ECR as it recommences it’s drilling activities. In the past few weeks, the Company has completed an initial drilling programme in the Byron area, the first of a number of targets planned for testing at its 100%-owned gold projects in Victoria, Australia. ECR is also looking to commence drilling at its Argentinian projects in the near future. Following the success of our recent fundraising activities, ECR is, for the first time in several years, in a strong financial position and able to look to the future with confidence.

AVOCA, BAILIESTON AND TIMOR GOLD PROJECTS - Victoria, Australia

The Company’s immediate focus is on the Byron area at the Bailieston project (EL5433). A 592 m reverse circulation (RC) drilling programme was recently completed at Byron. The programme comprised 7 holes intended to target extensions to the high-grade mineralisation mined historically and intersected by drilling in the 1980s.

Numerous high grade drilling results have recently been reported from the Fosterville gold mine, which is located around 30km from the Bailieston project and owned by Kirkland Lake Gold. The Costerfield gold mine owned by Mandalay Resources also lies 30km from Bailieston. With the existence of these modern producing mines in the district, the Directors believe that drilling success at Bailieston by ECR should generate a significant degree of market interest. The results of the drilling are expected to be available within the next 1-2 months.

In March 2017, ECR’s wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd (“MGA”) was granted a new exploration licence (EL6278) in Victoria, covering 228 square kilometres and encompassing a large number of historical hard rock and deep lead (buried alluvial) mining areas. The Company’s initial strategy for this licence, which is known as the Timor project, is to use historical records and on-the-ground reconnaissance to prioritise the main exploration prospects and identify primary targets for drilling.

The approval and registration of the transfer of the Avoca project licence (EL5387) from Currawong Resources to MGA is still in process, and the Company will further refine its plans for exploration at Avoca once this licence has been transferred. ECR has already identified nine initial hard-rock targets for drilling at Avoca, with deep lead gold deposits confirmed as an additional target type warranting further evaluation.

SLM GOLD PROJECT - Argentina

Preparations have been made in recent months for drilling at the JV and El Abra prospects, after the determination of JORC Exploration Targets for these two prospects in January 2017. The preparations have included the establishment of drill pads, as well as permitting activities and liaison with the provincial government.

For details of the Exploration Targets, please refer to the Company's announcement dated 27 January 2017. A programme of approximately 2,000m of RC drilling has been designed for the JV prospect, with an additional 300m planned for El Abra. The aim of the drilling will be to enable the estimation of Mineral Resources compliant with the JORC Code for both prospects. Drilling is planned to commence in August 2017.

DANGLAY GOLD PROJECT - Philippines

Further to the updates announced by the Company on 24 February and 31 March 2017 in relation to the Danglay gold project, having been advised on 31 March 2017 that the board of Cordillera Tiger Gold Resources, Inc. ("CTGR") had resolved to issue a 25% shareholding in CTGR to ECR, the Company was disappointed to become aware of a legal challenge to the issuance of the shares which has been initiated in the Philippines by Tiger International Resources, Inc. ("TGR"). As a result, ECR has not yet been issued shares in CTGR. ECR is entitled to a 25% interest in CTGR under the Earn-In & Joint Venture Agreement between the Company, CTGR and TGR, and considers TGR's legal challenge to be without merit.

ECR is in dialogue with both CTGR and TGR, and although there can be no guarantee, it is hoped that an amicable solution can be reached. In addition, Ivor Jones, a director of ECR and its Chief Operating Officer, visited the Danglay project earlier this month and following this visit, the Directors continue to believe that significant exploration potential exists at the project. An initial NI43-101 Mineral Resource was estimated for the project in December 2015, following extensive exploration carried out by ECR during 2014 and 2015. A copy of the corresponding NI43-101 technical report is available for download from the Company's website.

With the removal in May 2017 of Regina Lopez as Secretary of the Philippine Department of Environment & Natural Resources (DENR), the political outlook for the mining industry in the Philippines has improved, although uncertainty remains. In view of the disruption caused by the tenure of Ms. Lopez as DENR Secretary, it is unsurprising that the renewal of the Exploration Permit (EP) comprising the Danglay project has yet to be received by CTGR. The Directors remain of the view that the EP is likely to be renewed in due course, and ECR is ready to work with all parties to preserve the value of Danglay as a significant exploration opportunity in the prolifically gold-copper mineralised Baguio District.

FINANCIAL RESULTS AND RECENT FUNDRAISING

For the six months ended 31 March 2017 the financial statements of the Company as consolidated with its subsidiaries (the "Group") record a total comprehensive expense of £432,339, the largest component of which is other administrative expenses of £431,492, which relate primarily to the development of the Company's projects, but which cannot be capitalised under applicable accounting standards. The Group reported a total comprehensive expense of £533,170 for the six months ended 31 March 2016.

The Group's net assets were £2,382,561 at 31 March 2017 compared with £1,907,983 at 31 March 2016.

Since the 31 March 2017, the Group's financial position has strengthened considerably following the completion this month of an oversubscribed placing through Optiva Securities raising gross proceeds of £1,000,000 and a subscription with Shenyang Xinliaoan Machinery Co Ltd ("Shenyang") which raised gross proceeds of £553,564. Following completion of the subscription and placing, Shenyang has a 22% shareholding in ECR, and importantly, the Shenyang shares are subject to a 12-month lock-up. The Directors are pleased to welcome Shenyang as strategic, long-term investors in ECR.

Craig Brown

Chief Executive Officer

ABOUT ECR

ECR is a mineral exploration and development company. ECR's wholly owned Australian subsidiary Mercator Gold Australia has 100% ownership of the Avoca, Bailieston and Timor gold projects in Victoria, Australia. ECR has earned a 25% interest in the Danglay epithermal gold project, an advanced exploration project located in a prolific gold and copper mining district in the north of the Philippines. An NI43-101 technical report was completed in respect of the Danglay project in December 2015, and is available for download from ECR's website.

ECR's wholly owned subsidiary Ochre Mining has a 100% interest in the SLM gold project in La Rioja, Argentina. Exploration at SLM has focused on identifying small tonnage mesothermal gold deposits which may be suitable for relatively near term production.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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 2017

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
Continuing operations	**£**	**£**	**£**
Other administrative expenses	(431,492)	(296,286)	(677,873)
Currency exchange differences	(1,335)	(95)	9,399
Impairment of other current assets	–	(780)	–
Total administrative expenses	(432,827)	(297,161)	(668,474)
Operating loss	**(432,827)**	**(297,161)**	**(668,474)**
Other income			34,688
Loss on disposal of available for sale financial assets	–	(609)	–
Fair value movements – available for sale financial asset	(1,108)	–	(18,893)
	(433,935)	**(297,770)**	**(652,679)**
Finance income	131	21	484
Finance costs	–	(135,370)	(267,511)
Finance income and costs	**131**	**(135,349)**	**(267,027)**
Loss for the period before taxation	(433,804)	(433,119)	(919,706)
Income tax	–	–	–
Loss for the period	**(433,804)**	**(433,119)**	**(919,706)**
Loss attributable to:			
Owners of the parent	**(433,804)**	**(433,119)**	**(919,706)**
Loss per share – basic and diluted	*(0.33)p*	*(1.32)p*	*(2.00)p*

Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2017

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£	**£**	**£**
Loss for the period	**(433,804)**	**(433,119)**	**(919,706)**
Items that may be reclassified subsequently to profit or loss			
Gain/(losses) on exchange translation	1,465	(100,051)	(96,886)
Other comprehensive income/(expense) for the period	1,465	(100,051)	(96,886)
Total comprehensive expense for the period	**(432,339)**	**(533,170)**	**(1,016,592)**
Attributable to:			
Owners of the parent	**(432,339)**	**(533,170)**	**(1,016,592)**

Consolidated Statement of Financial Position

At 31 March 2017

	As at 31 March 2017	As at 31 March 2016	As at 30 September 2016
Assets	£	£	£
Non–current assets			
Property, plant and equipment	11,483	6,237	6,237
Exploration assets	2,556,688	2,224,024	2,437,608
Deferred tax asset	–	–	–
Total non-current assets	2,568,171	2,230,261	2,443,845
Current assets			
Trade and other receivables	9,927	4,712	5,470
Available for sale financial assets	19,906	39,277	21,014
Taxation	70,816	36,282	38,059
Other current assets	–	2,672	2,672
Cash and cash equivalents	107,508	103,883	471,809
	208,157	186,826	539,024
Total assets	**2,776,328**	**2,417,087**	**2,982,869**
Current liabilities			
Trade and other payables	393,767	409,886	302,242
Interest bearing borrowings	–	99,218	-
Total liabilities	393,767	509,104	302,242
Net assets	**2,382,561**	**1,907,983**	**2,680,627**
Equity attributable to owners of the parent			
Share capital	11,281,695	11,103,901	11,281,628
Share premium	42,508,217	41,443,507	42,441,553
Exchange reserve	(165,070)	(169,700)	(166,535)
Other reserves	1,215,259	1,067,423	1,147,717
Retained losses	(52,457,540)	(51,537,149)	(52,023,736)
Total equity	**2,382,561**	**1,907,983**	**2,680,627**

Consolidated statement of changes in equity

For the six months ended 31March 2017

	Share capital	Share premium	Exchange reserves	Other reserves	Retained reserves	Total Equity
	£	£	£	£	£	£
At 1 October 2015	**11,071,602**	**40,802,469**	**(69,649)**	**845,677**	**(51,104,030)**	**1,546,069**
Loss for the period	–	–	–	–	(433,119)	(433,119)
Loss on exchange translation	–	–	(100,051)	–	–	(100,051)
Total comprehensive income /(expense)	–	–	(100,051)	–	(433,119)	(533,170)
Conversion of loan	18,721	550,480	–	–	–	569,201
Share issue costs	–	(4,500)	–	–	–	(4,500)
Shares issued	12,500	59,197	–	–	–	71,697
Warrants issued	–	–	–	178,303	–	178,303
Share based payments	–	–	–	43,443	–	43,443
Shares issued in payment of creditors	1,078	35,861	–	–	–	36,939
At 31 March 2016	**11,103,901**	**41,443,507**	**(169,700)**	**1,067,423**	**(51,537,149)**	**1,907,983**
Loss for the period	–	–	–	–	(486,587)	(486,587)
Loss on exchange translation	–	–	3,165	–	–	3,165
Total comprehensive income /(expense)	–	–	3,165	–	(486,587)	(483,422)
Conversion of loan	15,952	(48,898)	–	–	–	(32,946)
Share issue costs	–	(51,250)	–	–	–	(51,250)
Shares issued	135,000	893,303	–	–	–	1,028,303
Share based payments	–	–	–	80,294	–	80,294
Shares issued in payment of creditors	26,775	204,891	–	–	–	231,666
At 30 September 2016	**11,281,628**	**42,441,553**	**(166,535)**	**1,147,717**	**(52,023,736)**	**2,680,627**
Loss for the period	–	–	–	–	(433,804)	(433,804)
Loss on exchange translation	–	–	1,465	–	–	1,465
Total comprehensive income /(expense)	–	–	1,465	–	(433,804)	(432,339)
Share based payments	–	–	–	67,542	–	67,542
Shares issued in payment of creditors	67	66,664	–	–	–	66,731
At 31 March 2017	**11,281,695**	**42,508,217**	**(165,070)**	**1,215,259**	**(52,457,540)**	**2,382,561**

Consolidated Cash Flow Statement

For the six months ended 31 March 2017

	Six months ended 31 March 2017 £	Six months ended 31 March 2016 £	Year ended 30 September 2016 £
Net cash flow used in operations	**(241,445)**	**(202,513)**	**(494,118)**
Investing activities			
Increase in exploration assets	(191,080)	(191,851)	(319,580)
Purchase of property, plant & equipment	(3,776)	–	–
Interest received	–	21	484
Net cash used in investing activities	**(122,856)**	**(191,830)**	**(319,096)**
Financing activities			
Proceeds from issue of shares and warrants	–	250,000	1,100,000
Proceeds from convertible loan	–	174,801	418,463
Repayment of convertible loan notes	–	–	(248,332)
Finance costs on fundraising	–	(4,500)	(55,750)
Interest paid and other financing costs	–	(12,222)	(31,385)
Net cash from financing activities	–	**408,079**	1,182,996
Net change in cash and cash equivalents	**(364,301)**	**13,736**	**369,782**
Cash and cash equivalents at beginning of the period	471,809	90,398	90,398
Effect of change in exchange rates	–	(251)	11,629
Cash and cash equivalents at end of the period	**107,508**	**103,883**	**471,809**

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2017

1. Basis of preparation

The condensed consolidated half-yearly financial statements incorporate the financial statements of the Company and its subsidiaries (the "Group") made up to 31 March 2017. The results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date such control ceases.

These condensed half-yearly consolidated financial statements 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 2016. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 September 2016. 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 half-yearly 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 2017 and 31 March 2016 is unaudited. The comparative figures for the period ended 30 September 2016 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. 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 half-yearly financial statements.

3. 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.

4. Loss per share

	Six months ended 31 March 2017	**Six months ended 31 March 2016**	**Year ended 30 September 2016**
Weighted number of shares in issue during the period	130,179,729	32,700,218	45,909,477
	£	**£**	**£**
Loss from continuing operations attributable to owners of the parent	(433,804)	(433,119)	(919,706)

For the purpose of presenting a fair comparison the weighted number of shares in issue in previous periods has been divided by 200 to reflect the consolidation approved by shareholders on 21 November 2016.

The disclosure of the diluted loss per share is the same as the basic loss per share as the conversion of share options decreases the basic loss per share thus being anti-dilutive.

5. Income tax

No charge to tax arises on the results and no deferred tax provision arises or deferred tax asset is identified.

6. Related party transactions

The Directors are the only key management.

Directors' remuneration during the period was as follows:

	Six months ended 31 March 2017 £	Six months ended 31 March 2016 £	Year ended 30 September 2016 £
Directors' emoluments	108,885	106,500	213,167
Share-based payments	67,542	–	–
Total emoluments	176,427	106,500	213,167

There were no other related party transactions during the period.

7. Shares and options transactions during the period

On 21 November 2016 the shareholders approved a 200:1 consolidation of the ordinary share capital of the company.

On 27 February 2017 the Company announced that it had conditionally raised gross proceeds of £553,564 ("Gross Proceeds") pursuant to a subscription by the Shenyang Xinliaoan Machinery Co Ltd ("Shenyang" or the "Investor") based in the People's Republic of China, for 55,356,391 new ordinary shares of the Company ("Subscription Shares") at a price of 1 pence per Subscription Share ("Subscription Price") (the "Subscription"). Conditional on completion of the Subscription, it was agreed that the Investor would also be issued warrants over 83,034,586 new ordinary shares in total (the "Investor Warrants"). Of the Investor Warrants, 55,356,391 are exercisable at a price of 2 pence per share and 27,678,195 have an exercise price of 5 pence per share. The Subscription Shares were not issued and the Gross Proceeds were not received until after 31 March 2017.

In addition to the Subscription, the directors of ECR announced that the Company had issued 6,673,021 new ordinary shares in the Company ("Ordinary Shares") at a price of 1 pence per Ordinary Share (being the same price as the Subscription Price) in lieu of salary and fees owed to certain directors, consultants and suppliers to the Company.

On 27 February 2017 the Company announced the grant of 8,153,968 share options (the "Options") to two executive directors. The Options have been granted under the Company's unapproved share option plan (the "Option Plan"). Each Option is exercisable to acquire one ordinary share of the Company at a price of 1.725 pence per share. The Options will remain valid, subject to the rules of the Option Plan, until the fifth anniversary of the date of grant. The Options will vest immediately. The exercise price of the Options equates to a premium of 50% to the closing mid-market price of the Company's shares on AIM on 24 February 2017.

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2017

8. Consolidated Cash Flow Statement

	Six months ended 31 March 2017 £	Six months ended 31 March 2016 £	Year ended 30 September 2016 £
Operating activities			
Loss for the period, before tax	**(433,804)**	**(433,119)**	**(919,706)**
Adjustments:			
Depreciation expense, property, plant and equipment	(1,470)	1,468	1,468
Provision and impairment of investment and loans	1,108	–	–
Impairment of other current assets	2,672	–	–
Loss on available for sale financial assets	–	–	18,263
Loss on extinguishment of debt by equity	–	–	30,486
Interest income	–	(21)	(484)
Loss on revaluation of investments	1,465	–	–
Interest on convertible loans	–	135,118	200,924
Interest expense – other	–	252	-
Share based payments	67,542	–	123,737
Shares issued in lieu of expense payments	66,731	–	13,800
(Increase) /decrease in accounts receivable	(4,457)	69,521	(12,941)
Increase/(Decrease) in accounts payable	91,525	58,036	58,565
(Increase)/decrease in taxation	(32,757)	(33,768)	(8,230)
Net cash flow used in operations	**(241,445)**	**(202,513)**	**(494,118)**

The figures in this note for interest paid on convertible loans include the deemed cost of warrants issued with each convertible loan tranche, as well as implementation fees paid in respect of each tranche.

9. Post period end events

On 26 May 2017 the Company announced the issue of 793,832 ordinary shares of the Company (the "Further Shares") to Currawong Resources Pty Ltd ("Currawong"), the vendor of the Avoca and Bailieston projects. The Further Shares have been issued at a price of 1.8 pence, being the mid-price on AIM at the close of trading on 18 May 2017, giving them a value of £14,288.98 or approximately AUD 25,000.

On 31 May 2017 the Company announced that it had received the full amount of the Gross Proceeds of £553,564 from Shenyang Xinliaoan Machinery Co Ltd, following the previously announced subscription on 27 February 2017. Completion of the Subscription and the issue of the Subscription Shares and associated Investor Warrants remains conditional upon the relevant parties entering into a relationship agreement.

On 2 June 2017 the Company announced that it has raised gross proceeds of £1,000,000 by way of an oversubscribed placing (the "Placing") for 55,555,556 new ordinary shares in the Company (the "Placing Shares") at a price of 1.8 pence each ("Issue Price"). The net proceeds of the Placing will be used to support the ongoing activities of the Company in Australia and to explore new opportunities.

On 6 June 2017 the Company announced that it has completed the subscription with Shenyang Xinliaoan Machinery Co Ltd ("Shenyang") raising gross proceeds of £553,564 from the issue of 55,356,391 ordinary shares at a price of 1 pence per share. As a result, Shenyang was granted warrants over 83,034,586 new ordinary shares in total. Of these warrants, which are valid for five years, 55,356,391 warrants are exercisable at a price of 2 pence per share and 27,678,195 warrants have an exercise price of 5 pence per share.

On 15 June 2017 the Company announced that its planned exploration drilling programme at its Bailieston licence located in Victoria, Australia has now commenced.