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 2018 AND UPDATE

LONDON: 28 JUNE 2018 - 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 2018, along with an update on the Group's activities.

CHIEF EXECUTIVE OFFICER'S REPORT

ECR has continued to concentrate its efforts on gold exploration in Victoria, Australia, although the Directors regularly review potential new projects both inside and outside Australia. We view Victoria as a relatively overlooked gold exploration destination, given its impressive past gold production of around 85 million ounces, and the presence of a number of successful modern gold mines in the state. In particular, we note that the Fosterville mine, which is located in the same district as ECR's Bailieston and Moormbool projects, has produced more than one million ounces to date, and is now under the ownership of Canada's Kirkland Lake Gold. Kirkland Lake's 2018 production guidance for Fosterville is 260-300,000 ounces from high grade underground mining operations.

ECR's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd ("MGA") now has five exploration licences in Victoria (Avoca - EL5387; Bailieston - EL5433; Creswick - EL006184, Moormbool - EL006280; and Timor - EL006278), with a sixth licence under application and expected to be granted shortly (Creswick North).

In December 2017, the Company received the results of an interpretation and targeting study using open-file geophysical data covering the Avoca, Bailieston, Moormbool and Timor exploration licences. The study was carried out for MGA by the consultancy firm Terra Resources and identified a total of 47 targets for potential follow-up, including 15 high priority areas. The geophysical compilation datasets included regional airborne magnetics and radiometrics and ground gravity data, which were processed and imaged in order to perform geological interpretation and target generation. The high priority targets identified included areas already considered to be of significant interest by ECR, such as the Byron, Black Cat and Cherry Tree prospects at Bailieston, the magnetic anomaly at Moormbool, and the Leviathan trend at Timor. Several new target areas were also identified.

Early in 2018, Dr Rodney Boucher, an experienced Victorian gold geologist, commenced a review of all available data on MGA's exploration licences (at that time numbering four licences), complemented by geological mapping and geochemical surveys in selected areas. The purpose of this work was to help define targets for a diamond drilling programme extending across a number of MGA's prospects. The geochemical surveys utilised a portable XRF to delineate proxy minerals associated with gold.

Drilling at Blue Moon, Bung Bong and Monte Christo prospects
Drilling commenced at the Bung Bong prospect in April 2018, and five holes were completed. Thereafter, the rig moved to the Monte Christo prospect, and then to the Blue Moon prospect, with two holes drilled at each, after which the programme was brought to a close. The Blue Moon prospect is part of the Bailieston project area (EL5433), while Bung Bong and Monte Christo are part of the Avoca project area (EL5387). Assay results were announced in early June 2018 for the drilling at Bung Bong and Monte Christo but have not yet been received for Blue Moon.

All five holes at Bung Bong and the two holes at Monte Christo fulfilled their intended purpose, which was to test the structural architecture of the target areas. The holes were the first ever drilled at both Bung Bong and Monte Christo, and gold mineralisation was intersected at both prospects, although no high-grade shoots were encountered.

Blue Moon disseminated gold prospect

The target at Blue Moon is a disseminated gold deposit, as opposed to the quartz reef systems at Bung Bong and Monte Christo. The drill holes at Blue Moon were designed to test arsenic and antimony anomalies identified by the soil geochemical survey completed by MGA earlier in the year. An arsenic-anomalous zone up to 40 m wide and more than 200 m long was identified, and previous work has shown anomalism over a further 150 m to the west. Previous rock chip samples include results of 12.1, 10.1 and 7.0 g/t, and previous soil surveys identified gold to 5.0 g/t (as detailed in the technical report identified in the Company's announcement dated 20 April 2016). After the assay results from the drilling at Blue Moon are received, planning can begin for the next phase of exploration in Victoria.

Acquisition of Creswick gold project

MGA acquired 100% ownership of the Creswick licence in April 2018 and applied for Creswick North shortly after. The licences are considered highly prospective for gold mineralisation hosted within the Dimocks Main Shale, which extends over a 15 km trend from the mining centre of Ballarat to the south, including approximately 3 km within the Creswick project area. In the project area, the Dimocks Main Shale (DMS) is approximately 25 m wide shale containing bedding- and cleavage-parallel auriferous quartz veins with potential for bulk mining. Only two holes have been drilled to test the DMS within the Creswick licence, both in the 1990s. The results of this drilling included an intercept of 2 m at 12.28 g/t gold. The best previous drill intercept into the DMS to the south of Creswick is 2 m at 176 g/t gold. ECR has not yet commenced field activities at Creswick.

Argentina and Philippines projects

ECR continues to have 100% ownership of the SLM gold project in La Rioja, Argentina, and is entitled to a 25% interest in the Danglay gold project in the northern Philippines. The status of both projects remains as disclosed in the Company's annual report and accounts published in 2018.

FINANCIAL RESULTS

For the six months ended 31 March 2018 the financial statements of the Company as consolidated with its subsidiaries (the "Group") record a total comprehensive expense of £321,433 the largest component of which is other administrative expenses of £240,719, 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 £432,339 for the six months ended 31 March 2017.

The Group's net assets were £3,413,791 at 31 March 2018 compared with £2,382,561 at 31 March 2017.

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 2018

	Six months ended 31 March 2018	Six months ended 31 March 2017	Year ended 30 September 2017
Continuing operations	**£**	**£**	**£**
Other administrative expenses	(240,719)	(431,492)	509,545
Currency exchange differences	(2,507)	(1,335)	(3,186)
Total administrative expenses	(243,226)	(432,827)	(512,731)
Operating loss	**(243,226)**	**(432,827)**	**(512,731)**
Loss on disposal of available for sale financial assets	–	–	(1)
Fair value movements – available for sale financial asset	(5,429)	(1,108)	–
	(248,655)	**(433,935)**	**(511,477)**
Finance income	710	131	353
Finance costs		–	–
Finance income and costs	**710**	**131**	**353**
Loss for the period before taxation	(247,945)	(433,804)	(511,124)
Income tax	–	–	–
Loss for the period	**(247,945)**	**(433,804)**	**(511,124)**
Loss attributable to:			
Owners of the parent	**(247,945)**	**(433,804)**	**(511,124)**
Loss per share – basic and diluted	*(0.10)p*	*(0.33)p*	*(0.31)p*

Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2018

	Six months ended 31 March 2018	Six months ended 31 March 2017	Year ended 30 September 2017
	£	£	£
Loss for the period	**(247,945)**	**(433,804)**	**(511,124)**
Items that may be reclassified subsequently to profit or loss			
Gain/(losses) on exchange translation	(73,488)	1,465	(51,524)
Other comprehensive income/(expense) for the period	(73,488)	1,465	(51,524)
Total comprehensive expense for the period	**(321,433)**	**(432,339)**	**(562,649)**
Attributable to:			
Owners of the parent	**(321,433)**	**(432,339)**	**(562,649)**

Consolidated Statement of Financial Position

At 31 March 2018

	As at 31 March 2018	As at 31 March 2017	As at 30 September 2017
Assets	**£**	**£**	**£**
Non–current assets			
Property, plant and equipment	5,751	11,483	8,694
Exploration assets	2,675,346	2,556,688	2,668,747
Deferred tax asset	–	–	–
Total non-current assets	2,681,097	2,568,171	2,677,441
Current assets			
Trade and other receivables	46,138	9,927	54,888
Available for sale financial assets	16,841	19,906	22,269
Taxation	20,283	70,816	–
Other current assets	–	–	–
Cash and cash equivalents	701,499	107,508	1,082,994
	784,761	208,157	1,160,151
Total assets	**3,465,858**	**2,776,328**	**3,837,592**
Current liabilities			
Trade and other payables	52,067	393,767	102,367
Interest bearing borrowings	–	–	–
Total liabilities	52,067	393,767	102,637
Net assets	**3,413,791**	**2,382,561**	**3,735,225**
Equity attributable to owners of the parent			
Share capital	11,282,812	11,281,695	11,282,812
Share premium	43,823,335	42,508,217	43,823,335
Exchange reserve	(291,547)	(165,070)	(218,059)
Other reserves	1,381,998	1,215,259	1,381,998
Retained losses	(52,782,806)	(52,457,540)	(52,534,860)
Total equity	**3,413,792**	**2,382,561**	**3,735,225**

Consolidated statement of changes in equity

For the six months ended 31March 2018

	Share capital	Share premium	Exchange reserves	Other reserves	Retained reserves	Total Equity
	£	£	£	£	£	£
At 1 October 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**
Loss for the period	–	–	–	–	(77,320)	(77,320)
Loss on exchange translation	–	–	(52,989)	–	–	(52,989)
Total comprehensive income /(expense)	–	–	(52,989)	–	(77,320)	(130,309)
Shares issued	1,109	1,552,455	–	–	–	1,553,564
Share issue costs	–	(84,878)	–	–	–	(84,878)
Share based payments	–	(166,739)	–	166,739	–	–
Shares issued in payment of creditors	8	14,280	–	–	–	14,288
At 30 September 2017	**11,282,812**	**43,823,335**	**(218,059)**	**1,381,998**	**(52,534,860)**	**3,735,226**
Loss for the period	–	–	–	–	(247,945)	(247,945)
Loss on exchange translation	–	–	(73,488)	–	–	(73,488)
Total comprehensive income /(expense)	–	–	(73,488)	–	(247,945)	(321,433)
Share based payments	–	–	–	–	–	–
Shares issued in payment of creditors	–	–	–	–	–	–
At 31 March 2018	**11,282,812**	**43,823,335**	**(291,547)**	**1,381,998**	**(52,782,805)**	**3,413,793**

Consolidated Cash Flow Statement

For the six months ended 31 March 2018

	Six months ended 31 March 2018 £	Six months ended 31 March 2017 £	Year ended 30 September 2017 £
Net cash flow used in operations	**(301,408)**	**(241,445)**	**(569,016)**
Investing activities			
Increase in exploration assets	(6,600)	(191,080)	(231,140)
Purchase of property, plant & equipment	–	(3,776)	(6,174)
Interest received	–	–	353
Net cash used in investing activities	**(6,600)**	**(122,856)**	**(236,961)**
Financing activities			
Proceeds from issue of shares and warrants	–	–	1,468,686
Proceeds from convertible loan	–	–	–
Repayment of convertible loan notes	–	–	–
Finance costs on fundraising	–	–	–
Interest paid and other financing costs	–	–	–
Net cash from financing activities	–	–	**1,468,686**
Net change in cash and cash equivalents	**(308,008)**	**(364,301)**	**662,709**
Cash and cash equivalents at beginning of the period	1,082,994	471,809	471,809
Effect of change in exchange rates	(73,487)	–	(51,524)
Cash and cash equivalents at end of the period	**701,499**	**107,508**	**1,082,994**

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2018

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 2018. 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 2017. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 September 2017. 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 2018 and 31 March 2017 is unaudited. The comparative figures for the period ended 30 September 2017 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 2018	**Six months ended 31 March 2017**	**Year ended 30 September 2017**
Weighted number of shares in issue during the period	247,605,240	130,179,729	166,559,125
	£	**£**	**£**
Loss from continuing operations attributable to owners of the parent	(247,946)	(511,124)	(433,119)

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.

Notes to the Condensed Half-Yearly Financial Statements

For the six months ended 31 March 2018

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 2018 £	Six months ended 31 March 2017 £	Year ended 30 September 2017 £
Directors' emoluments	68,400	108,885	208,232
Employer's national insurance contributions	8,312		10,402
Share-based payments	–	67,542	67,542
Total emoluments	76,712	176,427	286,176

There were no other related party transactions during the period.

7. Shares and options transactions during the period

During the period, no new shares or options were issued.

8. Consolidated Cash Flow Statement

	Six months ended 31 March 2018 £	Six months ended 31 March 2017 £	Year ended 30 September 2017 £
Operating activities			
Loss for the period, before tax	**(247,946)**	**(433,804)**	**(511,124)**
Adjustments:			
Depreciation expense, property, plant and equipment	2,943	(1,470)	3,717
Provision and impairment of investment and loans	–	1,108	–
Impairment of other current assets	–	2,672	–
Loss on available for sale financial assets	–	–	(1,255)
Loss on extinguishment of debt by equity	–	–	–
Interest income	–	–	(1)
Loss on revaluation of investments	5,428	1,465	–
Interest on convertible loans	–	–	135,118
Interest expense – other	–	–	–
Share based payments	–	67,542	67,542
Shares issued in lieu of expense payments	–	66,731	81,019
(Increase) /decrease in accounts receivable	(1,097)	(4,457)	(36,899)
Increase/(Decrease) in accounts payable	(50,300)	91,525	(199,876
(Increase)/decrease in taxation	(10,436)	(32,757)	28,212
Net cash flow used in operations	**(301,408)**	**(241,445)**	**(569,016)**

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 13 April 2018 the Company announced positive geochemical results and start of drilling programme at Bung Bong gold prospect in Victoria, Australia

On 20 April 2018 the Company announced that the Company's wholly owned subsidiary Mercator Gold Australia Pty Ltd ("MGA") has acquired 100% ownership of the Creswick gold project in central Victoria, Australia with no consideration payable by ECR or MGA.

On 3 May 2018 the Company announced that drilling has been completed at the Bung Bong gold prospect and drilling activities will commence shortly at the Monte Christo prospect.

On 22 May 2018 the Company announced that Monte Christo drilling successful completed and drilling commenced at Blue Moon gold-antimony target.

On 5 June 2018 the Company announced the results of diamond drilling at the Bung Bong and Monte Christo gold prospects in Central Victoria, Australia.