29 September 2020

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Zanaga Iron Ore Company Limited ("ZIOC" or the "Company") (AIM: ZIOC) is pleased to announce its unaudited interim results for the six months ended 30 June 2020 and an update on post reporting period end events to September 2020.

Highlights

- Zanaga Iron Ore Project (the “Project” or the “Zanaga Project”) 30Mtpa staged development project (12Mtpa Stage One (“Stage One”), plus 18Mtpa Stage Two expansion (“Stage Two”))
  - Decision taken by the Board of Jumelles Limited (“Jumelles”), the joint venture company between ZIOC and Glencore, to proceed with an initiative to update the cost estimates associated with the 12Mtpa Stage One Project
  - Floating Offshore Port Study completed in May 2020
    - Concept Study completed on the viability of a Floating Dewatering, Storage, and Offloading port facility ("FDSO" or "Floating Port"), demonstrating the following potential benefits:
      - $184m reduction to capital costs of the 12Mtpa Stage One development phase of the 30Mtpa Project
      - Significant NPV and IRR improvement
      - No increase to operating costs
- Early Production Project (“EPP Project” or “EPP”)
  - 1-5 Mtpa production scenarios continue to be under investigation with the focus on processing facilities and suitable logistics solutions through the Republic of Congo ("RoC") and/or Republic of Gabon ("Gabon")
- Strategic investor discussions
  - Approaches received from a number of strategic investors interested in investing in the Zanaga Project
  - Discussions remain at a very early stage and there is no certainty that these discussions will proceed or a transaction ultimately entered into
- Other opportunities under investigation
  - Multiple Chinese entities introduced by China Overseas Infrastructure Development and Investment Corporation Limited ("COIDIC") in order to explore opportunities for Chinese involvement in construction of the Project
  - Opportunity being explored for potential development of a steel production facility within COIDIC’s Special Economic Zone (“SEZ”) at Point-Noire
  - Yantai Port Group introduced by COIDIC to consider logistics synergies

Corporate

- Equity subscription agreement entered into with Shard Merchant Capital Ltd (“SMC”) on 25 June 2020 (“Subscription Agreement”)
  - Under the terms of the Subscription Agreement a maximum of 21 million ordinary shares, in tranches of up to 7 million ordinary shares at a time, could be issued to SMC

  - Of the 7 million ordinary shares issued to SMC under the first tranche, SMC have traded approximately 5 million shares with net proceeds of approximately £300,000 received by ZIOC to date

- Outbreak of COVID-19 has not had a material impact upon the activities of the Group. Further detail regarding the Group's response to the outbreak can be found within the Strategic Report.
- Cash balance of US$0.4m as at 30 June 2020 has increased to US$0.5m at 28 September 2020 following the receipt of funds from the Subscription Agreement to date.
- Annual General Meeting to be held on 30 October 2020, and notice to be sent to shareholders shortly

Clifford Elphick, Non-Executive Chairman of ZIOC, commented:

"During the first half of 2020 the Zanaga Project Team managed to maintain progress on key initiatives while dealing with significant challenges created by the global impact of coronavirus. The Project Team responded well to the situation and took measures to ensure the safety of all personnel, with no cases reported amongst our employees to date.

The iron ore market has shown robust demand from China and is benefitting from robust iron ore prices. In addition, there is an increasing awareness by the international investor community both in China and in the West of the importance of high quality, large scale, and long life iron ore projects. In view of these positive developments, the Company believes that the Zanaga Project can be regarded as a significant asset in the future supply chain and an important part of future iron ore supply for strategic entities".

Copies of the unaudited interim results for the six months ended 30 June 2020 are available on the Company's website at www.zanagairon.com

The Zanaga Iron Ore Company Limited LEI number is 21380085XNXEX6NL6L23.

For further information, please contact:

Zanaga Iron Ore

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About us:

Zanaga Iron Ore Company Limited ("ZIOC" or the "Company") (AIM ticker: ZIOC) is the owner of 50% less one share in the Zanaga Iron Ore Project based in the Republic of Congo (Congo Brazzaville) through its investment in its associate Jumelles Limited. The Zanaga Iron Ore Project is one of the largest iron ore deposits in Africa and has the potential to become a world-class iron ore producer.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Business Review - Operations

Iron Ore Market

The iron ore market has shown robust demand from China and is benefitting from robust iron ore prices. The iron ore market supply deficit has become increasingly problematic, driven by strong continued demand from China and the reduction of significant iron ore supply in Brazil following a combination of mine closures due to tailings dam infrastructure concerns, and the impact of the coronavirus pandemic at a number of mining operations. Iron ore prices have risen significantly over the last two years and are now trading at sustained high levels.

Strategic investor discussions

Jumelles has continued to maintain a dialogue with a number of potential strategic investors, and in recent months approaches have been received from a number of additional strategic investors interested in investing in the Zanaga Project. However, it is emphasized that any such discussions are at a very early stage and there is no certainty that these discussions will proceed or ultimately a transaction entered into. Further updates will only be provided as required by market rules.

Re-costing exercise on the Zanaga 12Mtpa Staged Development Project

Due to the buoyant iron ore market, the Jumelles board have initiated a process to undertake a re-costing exercise to ascertain the potential costs associated with the construction of the Zanaga Project's 12Mtpa Stage One Project in today's contractor pricing market, and external engineering firms have been engaged by Jumelles to complete this evaluation. The results of this exercise are expected to be announced in Q1 2021.

Floating Port Concept Study

Significant opportunities have been identified for potential cooperation between infrastructure companies and EPC contractors to enhance the economics and technical solutions available to the Zanaga Project – particularly the 30Mtpa Staged Development Project.

During H1 2020 a Concept Study was completed to evaluate a Floating Port facility for the Zanaga Project, the results of which were announced on 28 May 2020. The solution involves extending Zanaga's slurry pipeline straight out into the ocean, with significantly reduced land-based facilities. The pipeline would run along the ocean floor to a fixed mooring point where the pipeline would connect to the floating dewatering, storage, and offloading vessel (FDSO). The slurry would be processed onboard by a dewatering plant and the pellet feed concentrate would be stored within the vessel. Offloading facilities would be built into the vessel to allow the FDSO to load cape size vessels directly. By utilising the FDSO Zanaga's materials handling steps would be reduced to only three phases, providing significant efficiencies and a more seamless operation.

The FDSO evaluation process has been led by Paterson & Cooke (P&C), who are leading experts in slurry pipeline design and engineering. P&C have completed a concept level report involving a comparison of the three port solutions available for the Zanaga Project, namely transhipping, deep water port, or the new floating port (FDSO).

The results of the investigation have been very positive from a technical and economic perspective. Potential has been indicated for a $184m reduction to total capital costs of the 12Mtpa Stage One Project, resulting in a reduction of total capital cost from $2,219m to $2,035m. Operating costs are expected to be maintained at approximately $6.5 per tonne due to previously high transhipping costs being substituted by a lease cost to the EPC contractor providing the solution. The net impact on economics shows the potential for the Floating Port to produce a significant NPV and IRR improvement. More detailed information is available in the Company's announcement released on 26 June 2020.

This concept study demonstrated the clear potential of a Floating Port facility to significantly enhance the economics of the Zanaga Project through the reduction of upfront capital costs and increase the Internal Rate of Return. In addition, there is potential to achieve significant ancillary technical benefits such as reduced environmental impact, elimination of dredging, and significant flexibility on coastal route selection. The Project's port solution has been a challenge for the Project since the FS was completed in 2014 and we are pleased with the results of this evaluation exercise.

COIDIC discussions

In December 2019, a Framework Agreement ("FA") was entered into between China Overseas Infrastructure Development And Investment Corporation Limited ("COIDIC") and Jumelles for potential cooperation between them in respect of mining related infrastructure for the Zanaga Iron Ore Project.

The parties' intention is to explore co-operation opportunities for progressing the infrastructure and financing requirements for the Zanaga Project, both in the near term and the longer term, and its potential for synergy with objectives of the Pointe-Noire Special Economic Zone ("SEZ").

COIDIC have been engaging with Chinese government agencies with a view to aligning with strategic objectives to establish a steel mill facility in the SEZ. The Zanaga Project Team have assisted the COIDIC team in this engagement process but have been unable to attend discussions in China due to current travel restrictions resulting from the coronavirus pandemic.

Yantai Port ("Yantai") have been introduced to the Zanaga Project by COIDIC as a Partner in accordance with the Framework Agreement. Yantai is an experienced Chinese operator in Africa. Yantai currently operate mining and logistics operations for more than 40Mtpa of bauxite being exported from Guinea to China. Yantai are also involved in the intended development of the Simandou iron ore mine in Guinea, a significant iron ore mining asset. The potential has been identified to use the Zanaga floating port solution to support COIDIC's aim of developing a bauxite processing hub in the region. This could be achieved by pumping imported bauxite into the SEZ via a return pipeline from the FDSO vessel. This development has been identified as one which, if progressed, could have benefits for COIDIC and the Zanaga Project.

In addition to the above discussions, COIDIC have facilitated discussions with their shareholders, comprising a number of large experienced infrastructure development and design companies, with the capability to deliver all aspects of the Zanaga Project and its related infrastructure.

EPP Project

The Project Team continue to undertake a process to evaluate the potential development of an EPP Project that would be quicker to construct than the larger 30Mtpa staged development project and would utilise existing road, rail and port infrastructure in Republic of Congo and Republic of Gabon. The Project Team continue to advance study work in an effort to improve their understanding of the viability of the EPP Project with an aim to determining capital and operating cost estimates in Q4 2020 in order to allow a view to be taken on the economic viability of this EPP Project. The Project Team continue to evaluate the potential for the EPP Project to operate as a standalone project, or as an initial pathway to production during the construction period of the flagship 30Mtpa Staged Development Project.

Subscription Agreement concluded with Shard Merchant Capital Ltd

The Company entered into a Subscription Agreement with SMC on 25 June 2020. Details of this funding transaction are available in the Company's announcement published on 26 June 2020.

In accordance with the agreement, the first Tranche of 7 million ordinary shares, of a total potential 21 million ordinary shares, has been issued to SMC. To date, approximately 5 million of the shares purchased by SMC have been placed with other investors, with net proceeds of approximately £300,000 being received by ZIOC as at 28 September 2020. ZIOC is pleased to report that SMC has introduced new investors SMC has been actively assessing various areas in which further value can be added and additional investor engagement could be achieved.

Cash Reserves and Project Funding

As already reported in the Company's annual results published on 1 July 2020, Glencore and ZIOC agreed a 2020 Project Work Programme and Budget for the Zanaga Project of US$1.2m plus US$0.1m of discretionary spend, dependent on certain workstreams requiring capital. ZIOC agreed to contribute towards the work programme and budget an amount comprising US$0.6m plus 49.99% of all discretionary items approved jointly with Glencore. Ignoring any entitlement to savings, ZIOC's potential contribution to the Zanaga Project in 2020 is expected to be US$0.7m in total.

We are pleased to report that the Zanaga Project's activities are currently running in line with the 2020 budget forecast.

As at 28 September 2020, ZIOC had cash reserves of US$0.5m and the Board continues to take a very prudent approach to the management of the business and its cash reserves.

Outlook

During 2020 the Project Team have made a number of significant steps in advancing solutions to unlock the key logistical challenges associated with both the 30Mtpa project and the EPP Project.

Due to current high iron ore prices, supply issues in Brazil, and increasing trade tensions between China and some of its trading partners the Company believes that the Zanaga Project has become an even more significant asset in the future iron ore supply chain. As a reminder, the Zanaga Project is economically attractive at much lower iron ore prices than we are experiencing today, making today's iron ore price environment very compelling for the investment case into such a tier one asset. We look forward to updating our shareholders further towards the end of 2020.

Financial review

Results from operations

The financial statements contain the results for ZIOC for the first half of 2020. ZIOC made a loss in the half-year of US$0.8m compared to a loss of US$1.8m in the full year ended December 2019. The loss for the 2020 half-year period comprised:

	1 January to 30 June 2020	1 January to 30 June 2019	1 January to 31 December 2019
	Unaudited	Unaudited	Audited
	US$000	US$000	US$000
General expenses	**(458)**	**(281)**	(1,264)
Net foreign exchange (loss)/gain	**(35)**	**(5)**	19
Share of loss of associate	**(288)**	**(330)**	(644)
Interest income	**1**	**4**	7
(Loss)/Gain before tax	**(780)**	**(606)**	(1,882)
Tax	-	-	-
Currency translation	**(10)**	**(3)**	(6)
Share of other comprehensive income of associate – foreign exchange	**(4)**	**(21)**	3
Total Comprehensive income	**(794)**	**(630)**	(1,885)

General expenses of US$0.5m (2019: US$0.3m), consisting of: Directors' fees of US$Nil (2019: US$Nil), professional fees of US$Nil (2019: US$0.2m), LTIP charge of US$0.3m (2019 US$Nil) and US$0.2m (2019: US$0.1m) of other general operating expenses.

The share of loss of associate of US$0.3m (2019: US$0.3m) relates to ZIOC's investment in Jumelles Limited ("Jumelles"), the joint venture company in respect of the Zanaga Project. From May 2014, as a result of the completion of the Feasibility Study and thus consideration to complete the Glencore share option, only 50% (less one share) of the Jumelles results are now included above.

During the half year period, the Company's share of Jumelles' project expenditure was US$0.6m including the effects of currency translation of $0.07m loss. Capitalised exploration assets remain at US$80.0m.

Financial position

ZIOC's net asset value ("NAV") of US$38.2m is comprised of a US$37.4m investment in Jumelles, US$0.4m of cash balances and US$0.4m net current assets.

	30 June 2020 Unaudited US$m	30 June 2019 Unaudited US$m	31 December 2019 Audited US$m
Investment in associate	**37.4**	**37.4**	37.5
Fixed assets	**-**	**-**	-
Cash	**0.4**	**1.4**	0.8
Other net current assets/(liabilities)	**0.4**	**-**	(0.2)
Net assets	**38.2**	**38.8**	38.1

Cost of investment

The investment in associate relates to the carrying value of the investment in Jumelles, which as at 30 June 2020 owned 50% less one share of the Project. The carrying value of this investment is unchanged in 2020 due to:

- Company funding per the Funding Agreement of US$0.2m; and
- The Company's US$0.3m share of the comprehensive loss US$ 0.6m made by Jumelles during the half-year.

As at 30 June 2020, Jumelles had aggregated assets of US$81.2m (June 2019: US$81.2m) and aggregated liabilities of US$0.5m (June 2019: US$0.9m). Non-current assets consisted of US$80.0m (June 2019: US$80.0m) of capitalised exploration assets and US$1.0m (June 2019: US$1.2m) of other fixed assets including property, plant and equipment. Cash balances amounted to US$0.2m (June 2019: US$0.5m) and other current assets were US$Nil (June 2019: US$Nil).

Cash flow

Cash balances have decreased by US$0.4m since 31 December 2019. Additional investment in Jumelles required under the Funding Agreement (details set out in note 1 to the financial statements) utilised US$0.2m, operating activities US$0.2m.

	30 June 2020 Unaudited US$000	30 June 2019 Unaudited US$000	31 December 2019 Audited US$000
GBP Balances	**0.3**	**1.1**	0.6
USD value of GBP balances	**0.4**	**1.4**	0.8
USD value of other currencies	**-**	**-**	-
USD balances	**-**	**-**	-
Cash Total	**0.4**	**1.4**	0.8

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2020

	Note	**1 January to 30 June 2020 Unaudited US$000**	1 January to 30 June 2019 Unaudited US$000	1 January to 31 December 2019 Audited US$000
Administrative expenses		**(493)**	**(280)**	(1,245)
Share of (loss)/profit associate		**(288)**	**(330)**	(644)
Operating loss		**(781)**	**(610)**	(1,889)
Interest Income		**1**	**4**	7
(Loss) before tax		**(780)**	**(606)**	(1,882)
Taxation	5	**-**	**-**	-
(Loss) for the period		**(780)**	**(606)**	(1,882)
Foreign exchange translation – foreign operations		**(10)**	**(3)**	3
Share of other comprehensive (loss)/income of associate – foreign exchange translation		**(4)**	**(21)**	-
Other comprehensive (loss)/gain		**(14)**	**(24)**	3
Total comprehensive (loss)/gain		**(794)**	**(630)**	(1,885)
(Loss)/Earnings per share (Cents)				
Basic	7	**(0.3)**	**(0.2)**	(0.7)
Diluted	7	**(0.3)**	**(0.2)**	(0.7)

All other comprehensive income may be classified as profit and loss in the future.

Consolidated Statement of changes in equity

for the six months ended 30 June 2020

	Share capital US$000	Retained earnings US$000	Foreign currency translation reserve US$000	Total Equity US$000
Balance at 1 January 2019	**267,012**	**(230,912)**	**3,319**	**39,419**
Consideration for share-based payments - other services	-	-	-	-
Share buy backs	-	-	-	-
Loss for the period	-	(606)	-	(609)
Other comprehensive (loss)/ income	-	-	(24)	(21)
	-	(606)	(24)	(630)
Total comprehensive (loss)/income				
Balance at 30 June 2019	**267,012**	**(231,518)**	**3, 295**	**38,789**
Consideration for share-based payments - other services	580	-	-	580
Share buy backs	-	-	-	-
Loss for the period	-	(1,276)	-	(1,276)
Other comprehensive (loss)/income	-	-	27	27
Total comprehensive (loss)/income	580	(1,276)	27	(669)
Balance at 31 December 2019	**267,592**	**(232,794)**	**3,322**	**38,120**
Consideration for share-based payments - other services	321-	-	-	321
Share buy backs	-	-	-	-
Issue of shares	564	-	-	564
Loss for the period	-	(780)	-	(780)
Other comprehensive (loss)/income	-	-	(14)	(14)
	-	(780)	(14)	(794)
Total comprehensive loss				
Balance at 30 June 2020	**268,477**	**(233,574)**	**3,308**	**38,211**

Consolidated Balance sheet

as at 30 June 2020

	Note	**30 June 2020 Unaudited US$000**	30 June 2019 Unaudited US$000	31 December 2019 Audited US$000
Non-current asset				
Property, plant and equipment		**-**	**-**	-
Investment in associate	6	**37,402**	**37,429**	37,492
		37,402	**37,429**	37,492
Current assets				
Other receivables		**612**	**94**	48
Cash and cash equivalents		**364**	**1,341**	755
		976	**1,435**	803
Total Assets		**38,378**	**38,864**	38,295
Current liabilities				
Trade and other payables		**(167)**	**(75)**	(175)
Net assets		**38,211**	**38,789**	38,120
Equity attributable to equity holders of the parent				
Share capital		**268,477**	**267,012**	267,592
Retained earnings		**(233,574)**	**(231,518)**	(232,794)
Foreign currency translation reserve		**3,308**	**3,295**	3,322
Total equity		**38,211**	**38,789**	38,120

These financial statements were approved by the Board of Directors on 28 September 2020.

Consolidated Cash flow statement

for the six months ended 30 June 2020

	1 January to 30 June 2020 Unaudited US$000	1 January to 30 June 2019 Unaudited US$000	1 January To 31 Dec 2019 Audited US$000
Cash flows from operating activities			
Loss for the year	**(780)**	**(606)**	(1,882)
Adjustments for:			
Share based payments	**321**	**-**	580-
Interest received	**(1)**	**(4)**	(7)
Increase in other receivables	**(565)**	**5**	(41)
Decrease in trade and other payables	**(9)**	**-**	100
Net exchange (profit)/loss	**(10)**	**(3)**	19
Share of Total Comprehensive income of associate	**288**	**351**	644
Net cash from operating activities	**(756)**	**(257)**	(505)
Cash flows from financing activities			
Issue of shares	**564**	**-**	-
Net cash from financing activities	**564**	**-**	-
Cash flows from investing activities			
Interest received	**1**	**4**	7
Acquisition of property, plant and equipment	**-**	**-**	-
Investment in associate	**(201)**	**(330)**	(689)
Net cash from investing activities	**(200)**	**(326)**	(682)
Net decrease in cash and cash equivalents	**(392)**	**(583)**	(1,187)
Cash and cash equivalents at beginning of period	**755**	**1,955**	1,955
Effect of exchange rate difference	**1**	**(31)**	(13)
Cash and cash equivalents at end of period	**364**	**1,341**	755

Notes to the financial statements

1. Business information and going concern basis of preparation

In common with many exploration and development companies in the mining sector, the Company raises funding in phases as its projects develop.

Under the 2020 Funding Agreement entered into by the Company and Glencore, the Company's funding obligations for the 2020 work programme and budget are for a sum of US$0.6m, plus a percentage share of discretionary costs. Such share for the Company would be US$0.1m if all the discretionary costs were approved jointly by the Company and Glencore. On current projections, it is estimated that the cash amounts payable by the Company to Jumelles during 2020 will be between approximately US$0.6m and US$0.7m. As regards ZIOC's corporate cash costs for the 2020 financial year, it is estimated that such costs will be of the order of US$0.2m.

Based on the current cost base at the Zanaga Project, the current low corporate overheads of ZIOC, the agreed cash preservation plan adopted by the Company (described below), the Company's existing cash reserves and (on the basis of cautious assumptions made by the Company in its funding model) the funds expected to be obtained in the future from the funding facility established by the Subscription Agreement with SMC, the Company will be adequately positioned to support its operations going forward in the near future. As the final cash amounts to be received for each tranche of shares issued to SMC, and the timing of this receipt, are dependent on SMC successfully selling the shares prior to transferring funds to the Company, the board of directors of ZIOC (the "Board") is of the view that the going concern basis of accounting is appropriate. However, the Board acknowledges that there is a material uncertainty which could give rise to significant doubt over the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Consequently, based on and taking into account the foregoing factors, the Board are satisfied the Company will have sufficient funds to meet its own working capital requirements for the foreseeable future, being a period of at least twelve months from the date of approval of these half-yearly financial statements.

The Company continues to review the costs of its operational activities with a view to conserving its cash resources. As part of such ongoing review, and in order to preserve the cash position of the Company, it has been agreed with the Directors and management that fees are deferred. Additionally, the Directors and management have indicated to the Company that they will assist the cash preservation plan of the Company, by re-negotiating contractual arrangements so as to provide for payments of fees in shares and/or options in lieu of cash. If this course of action is determined to be necessary, it is expected that this will take effect by the end of Q4 2020.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3. Basis of preparation

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

In accordance with the AIM Rules for Companies, the condensed set of financial statements has been prepared in applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2019. The comparative figures for the financial year ended 31 December 2019 are not the Company's statutory accounts for that financial year. The 2019 accounts have been reported on by the Company's auditors. The report of the auditors was (i) unqualified and (ii) did not include a reference to any matter to which the auditors drew attention by way of emphasis without qualifying their report**.**

Up until 30 April 2014, the Company accounted for 100% of the Jumelles group Comprehensive Income. From May 2014, as a result of completion of the Feasibility Study (note 1 above) and thus consideration to complete the Call Option, the Company has accounted for 50% less one share shareholding portion of that Comprehensive Income.

4. Segmental reporting

The Company has one operating segment, being its investment in the Zanaga Project, held through Jumelles. Financial information regarding this segment is provided in note 6.

5. Taxation

The Company is exempt from most forms of taxation in the British Virgin Islands ("BVI"), provided the Company does not trade in the BVI and does not have any employees working in the BVI. All dividends, interest, rents, royalties and other expense amounts paid by the Company, and capital gains realised with respect to any shares, debt obligations or other securities of the Company, are exempt from taxation in the BVI.

The effective tax rate for the Group is 0.00% (December 2019: 0.00%).

6. Investment in associate

	US$000
Balance at 1 January 2019	**37,450**
Additions	**330**
Share of comprehensive loss	**(351)**
Balance at 30 June 2019	**37,429**
Additions	**359**
Share of comprehensive loss	**(296)**
Balance at 31 December 2019	**37,492**
Additions	**202**
Share of comprehensive loss	**(292)**
Balance at 30 June 2020	**37,402**

From 30 April 2014, the investment represents a 50% less one share shareholding (previously 100%) in Jumelles for 2,000,000 shares of 4,000,001 total shares in issue.

On 11 February 2011, Xstrata Projects (now renamed Glencore Projects) exercised the Xstrata Call Option and from that date owns 50% plus one share of Jumelles and Jumelles is controlled at both a shareholder and director level by Glencore Projects. However, as the shares issued on exercise of the option were not considered to vest until provision of the services relating to the Preliminary Feasibility Study and the Feasibility Study had been completed, the Group continued to account for a 100% interest in Jumelles until the Feasibility Study was completed in April 2014. From May 2014 the Group has accounted for the reduction of its interest in Jumelles. The Group's interest remains accounted for as an associate using the equity method of accounting.

The Group financial statements account for the Glencore Projects transaction as an in-substance equity-settled share-based payment for the provision of services by Glencore Projects to Jumelles in relation to the Preliminary Feasibility Study and the Feasibility Study. These services largely were provided through third party contractors and were measured at the cost of the services provided.

As at 30 June 2020, Jumelles had aggregated assets of US$80.7m (June 2019: US$82.1m) and aggregated liabilities of US$0.8m (June 2019: US$0.8m). For the 6 months ended 30 June 2020, Jumelles incurred no taxation charge (June 2019: US$nil). A summarised consolidated unaudited balance sheet of Jumelles for the 6 months ended 30 June 2020, including adjustments made for equity accounting, is included below:

	30 June 2020 Unaudited US$000	30 June 2019 Unaudited US$000	31 December 2019 Audited US$000
Non-current assets			
Property, plant and equipment	**1,001**	**1,193**	1,064
Exploration and other evaluation assets	**80,000**	**80,000**	80,000
Total non-current assets	**81,001**	**81,193**	81,064
Current assets	**216**	**477**	336
Current liabilities	**(485)**	**(886)**	(489)
Net current liabilities	**(269)**	**(409)**	(153)
Net assets	**80,732**	**80,784**	80,911
Share capital	**293,103**	**293,103**	293,103
Translation reserve	**39,109**	**37,988**	38,706
Translation reserve	**(4,835)**	**(4,867)**	(4,828)
Accumulated deficit	**(246,645)**	**(245,440)**	(246,069)
	80,732	**80,784**	80,911

7. Earnings per share	**30 June 2020 Unaudited US$000**	30 June 2019 Unaudited US$000	31 December 2019 Audited US$000
Profit/(Loss) (Basic and diluted) (US$000)	**(780)**	**(606)**	(1,882)
Weighted average number of shares (thousands)			
Basic and diluted			
Issued shares at beginning of period	**286,034**	**283,201**	283,201
Effect of shares issued	**7,000**	**-**	2,833
Effect of share repurchase	**-**	**-**	-
Effect of own shares	**-**	**-**	-
Effect of share split	**-**	**-**	-
Weighted average number of shares at end of period – basic	**293,034**	**283,201**	286,034
(Loss)/Earnings per share (Cents)			
Basic	**(0.3)**	**(0.2)**	(0.7)
Diluted	**(0.3)**	**(0.2)**	(0.7)

8. Related parties

The following transactions occurred with related parties during the period:

	Transactions for the period			**Closing balance**		
	30 June 2020	30 June 2019	31 December	**30 June**	30 June 2019	31 December

	Unaudited	Unaudited	2019 Audited	**2020 Unaudited**	Unaudited	2019 Audited
	US$000	US$000	US$000	**US$000**	US$000	US$000
Funding:						
To Jumelles Limited	**201**	**338**	689	**33**	**34**	33