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Paternoster Resources PLC
19 September 2017

PATERNOSTER RESOURCES PLC
("Paternoster" or the "Company")

Unaudited interim results for the 6 months ended 30 June 2017

Paternoster Resources plc is pleased to announce its unaudited interim results for the six months ended 30 June 2017.

Key points

- Certain of Paternoster's investments have been very active during this period
- Net asset value per share was 1.7 times the share price at the period end
- Listed investments and cash represented 116% of market capitalisation at the period end
- GAEA Resources Limited became a major shareholder

Chairman's review

The Company made a loss after tax of £793,959 for the six months ended 30 June 2017 compared to a profit of £443,582 for the same period in 2016. As at 30 June 2017, the Company's net assets amounted to £2,790,495 or 0.27p per share, compared to £3,584,454 or 0.35 pence per share as at 31 December 2016. The majority of the investment portfolio comprises listed investments and cash.

Nicholas Lee, Chairman of Paternoster, commented:

"A number of the companies in Paternoster's investment portfolio have been very active. Overall, the Company's net assets have decreased during the period, principally due to the fall in the Plutus PowerGen plc ("Plutus") share price as a result of uncertainty surrounding the statement by OFGEM with respect to TRIAD payments to local embedded power generators. Plutus, however, is confident in its business model going forward and its share price has since recovered significantly, increasing by over 25% at the period end from its low point during the first quarter of 2017. Furthermore, since the period end, the Plutus share price has increased by a further 60%, adding over £400,000 to the Company's net assets. Ortac Resources has been restructured and refocused and, since the period end, Paternoster has now received shares in i3 Energy Limited via its investment in Glenwick plc, and these shares are now listed. Also, during the first quarter, we welcomed a new major shareholder and expect this relationship to provide significant benefits to the Company going forward."

The key unaudited performance indicators are set out below.

COMPANY STATISTICS	30 June 2017	31 December 2016	Change
Net asset value	£2,790,495	£3,584,454	-22.2%
Net asset value - fully diluted per share	0.274p	0.353p	-22.4%
Closing share price	0.160p	0.180p	-11.1%
Share price discount to net asset value	(41.2%)	(49.0%)	
Market capitalisation	£1,627,000	£1,830,000	-11.1%

The Company's principal investments are summarised below:

Category	Principal investments	Cost or valuation at 30 June 2017 (£)
Listed investments	Metal Tiger plc, MX Oil plc, Plutus PowerGen plc, Shumba Energy Limited, Pires Investments plc, Ortac Resources Limited and Polemos plc	1,557,968
Cash resources		327,228
Cash and listed investments		1,885,196
Unlisted investments		932,250
Total		2,817,446

Recent developments with regard to certain of the Company's investments are described below:

Plutus PowerGen plc

During Q4 2016, the Plutus share price increased from 1.5 pence to 2.6 pence, however, in Q1 2017 it fell significantly as a result of the uncertainty surrounding the OFGEM statement regarding TRIAD payments to local embedded power generators. Given that Plutus benefits from multiple earnings streams, it believes that its business model going forward continues to be attractive. It also has a number of projects in the pipeline that are expected to deliver additional fees and revenues. The company is continuing to broaden its exposure to the UK energy sector which includes looking to develop battery energy storage projects. It has also received planning for two further renewable green diesel power generation sites and has recently signed a joint venture with a leading UK supplier of gas and diesel generators. By the period end, the company's share price had already recovered by over 25% from its low point in Q1 2017 and, since the period end it is up a further 60%.

Alecto Minerals plc

The company continues to pursue the proposed acquisition of the Mowana Copper Mine in Botswana which is currently in production. Unfortunately, the completion of this acquisition has been delayed leading to the company's shares being suspended for more than six months pending the issue of an admission document and so, under the AIM rules, the company's shares have now been cancelled from listing. The company is working on progressing this transaction with a view to coming back to the market.

Ortac Resources Limited

In April 2017, the company announced that it has entered into an agreement to form a joint venture with a Slovakian company to jointly develop the Sturec Gold Project at Kremnica. These discussions continue to progress. The Sturec project has a reserve of just under 900,000 oz gold equivalent which has reached the pre-feasibility stage. The company's underground mining licence has been re-issued and mining operations have now recommenced.

In May 2017, the company raised £2 million before expenses and invested US\$2 million in a convertible loan note issued by Casa Mining Limited ("CASA"). Following conversion and, including its existing

investment, the company would become CASA's largest shareholder with around 45%. CASA is a private company that holds prospective gold mining and exploration licences in the Democratic Republic of Congo. CASA holds three contiguous mining licenses (covering a total 133km²), issued in March 2015 and valid for 30 years.

In June 2017, CASA's most advanced project, the Akyanga Deposit, African Mining Consultants ("AMC") provided an updated JORC-compliant Inferred Mineral Resource of 1,046,000 oz Au at an average grade of 2.27 g/t Au, using a US\$1,250/oz gold price and a conservative 1.50 g/t Au cut-off grade. Also, the Au Inferred Mineral Resources at a 0.5 g/t Au cut-off grade have increased by over 350,000 oz to 1,573,000 oz Au at an average grade of 1.65 g/t Au. In August 2017, the company announced that drilling operations had commenced at the Akyanga deposit which is expected to comprise around 5,000 metres of diamond drilling.

In June 2017, the company converted certain of the loan notes it holds in Zamsort Limited ("Zamsort"), a company based in Zambia with interests in copper and cobalt. As a result, the company now has a 14% equity interest in Zamsort.

Over this period, the board of the company has also been restructured and, more recently, the company has announced its intention to focus principally on the development of its high potential African mining assets, namely CASA and Zamsort.

Pires Investments plc

Pires Investments plc continues to actively review various investment opportunities with a view to undertaking a substantial transaction in order to deliver value to shareholders.

Polemos plc

Polemos plc invested in Oyster Oil and Gas Limited ("Oyster"), a company already listed on the TSX-V. Oyster currently operates four blocks in the Republic of Djibouti (100% interest) of which three blocks are located onshore and one block offshore. It also operates a 100% working interest in a large onshore block in the Republic of Madagascar. Oyster is expected to be listed on AIM shortly. In July 2017, the company raised around £500,000 for working capital purposes and to fund the seeking of investment opportunities.

In September 2017, Polemos announced the potential acquisition of a cyber security business SecurLinx Corporation, a US based cyber security company, for around £17.8 million. As this would constitute a reverse takeover, its shares have been suspended pending the publication of an admission document.

Glenwick plc

The principal asset of Glenwick plc ("Glenwick") comprised £1.1 million of pre-IPO convertible loan notes in i3 Energy Limited ("i3"). i3 has now completed its IPO, the convertible loan note has been converted and the majority of these shares in i3 have been passed through to the shareholders of Glenwick, which includes Paternoster. The investment made in connection with the listing of Cora Gold ("Cora") is expected to be exchanged for new shares in Cora which will then also be distributed to shareholders once Cora becomes listed later in 2017.

N Lee
Chairman
19 September 2017

For more information, please contact:

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited Year ended 31 December 2016 £
Net (losses)/gains on investments	(627,081)	591,762	770,086
Investment income	1,871	11,437	15,090
Total income	(625,210)	603,199	785,176
Administration expenses	(168,749)	(159,617)	(299,128)
(Loss)/profit before taxation	(793,959)	443,582	486,048
Taxation	–	–	–
(Loss)/profit for the period and total comprehensive income	(793,959)	443,582	486,048
Basic (loss)/earnings per share			
Continuing and total operations	(0.078)p	0.048p	0.051p
Fully diluted (loss)/earnings per share			
Continuing and total operations	(0.078)p	0.046p	0.051p

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
Balance at 1 January 2016	4,175,796	3,135,007	119,407	(4,481,804)	2,948,406
Profit for the year and total comprehensive expense	–	–	–	486,048	486,048
Share issue	93,750	56,250	–	–	150,000
Transfer on cancellation of options	–	–	(19,257)	19,257	–
Transactions with owners	93,750	56,250	(19,257)	19,257	150,000
Balance at 31 December 2016	4,269,546	3,191,257	100,150	(3,976,499)	3,584,454
Loss for the period and total comprehensive income	–	–	–	(793,959)	(793,959)
Balance at 30 June 2017	4,269,546	3,191,257	100,150	(4,770,458)	2,790,495

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited Year ended 31 December 2016 £
ASSETS			
Non-current assets			
Available for sale investments	2,490,218	2,263,408	2,949,517
Total non-current assets	2,490,218	2,263,408	2,949,517
Current assets			
Trade and other receivables	37,009	120,348	29,142
Cash and cash equivalents	327,228	1,104,468	648,165
Total current assets	364,237	1,224,816	677,307
Total assets	2,854,455	3,488,224	3,626,824
LIABILITIES			
Current liabilities			
Trade and other payables	63,960	94,640	42,370
Total current liabilities	63,960	94,640	42,370

Net assets	2,790,495	3,393,584	3,584,454
EQUITY			
Share capital	4,269,546	4,175,796	4,269,546
Share premium account	3,191,257	3,135,007	3,191,257
Capital redemption reserve	27,000	27,000	27,000
Share option reserve	73,150	94,003	73,150
Retained losses	(4,770,458)	(4,038,222)	(3,976,499)
Total equity	2,790,495	3,393,584	3,584,454

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited Year ended 31 December 2016 £
Cash flows from operating activities			
Profit/(loss) before tax	(793,959)	443,582	486,048
Net (gains)/losses on investments	627,081	(666,762)	(770,086)
Share based payment expense	–	1,596	–
Investment income	(1,871)	(11,437)	(15,090)
	(168,749)	(233,021)	(299,128)
(Increase)/decrease in trade and other receivables	(7,868)	47,497	(16,296)
Increase)/(decrease) in trade and other payables	21,590	7,971	(44,299)
Net cash used by operating activities	(155,027)	(177,553)	(359,723)
Cash flows from investing activities			
Purchase of investments	(280,800)	(64,593)	(527,351)
Proceeds from disposal of investments	113,019	870,607	1,055,579
Investment income received	1,871	11,437	15,090
Net cash (used in)/from investing activities	(165,910)	817,451	543,318
Net (decrease)/increase in cash and cash equivalents	(320,937)	639,898	183,595
Cash and cash equivalents at beginning of period	648,165	464,570	464,570
Cash and cash equivalents at end of period	327,228	1,104,468	648,165

NOTES TO THE INTERIM REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2016, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2016. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. The calculation of basic earnings per share is based on the loss for the period of £793,959 (2016: Profit £443,582) and a weighted average number of ordinary shares of 1,016,607,956 (2016: 922,857,956). The fully diluted earnings per share for the 6 months to 30 June 2017 is based on a weighted average number of ordinary shares of 1,016,607,956 (2016: 964,857,956).
3. No interim dividend will be paid.
4. Copies of the interim report can be obtained from: The Company Secretary, Paternoster Resources plc, 30, Percy Street, London W1T 2DB and are available to view and download from the Company's website : www.paternosterresources.com