EMED Mining Public Limited

("EMED or the "Company")

Quarterly Financial Statements

EMED Mining Public Limited (AIM: EMED, TSX: EMD) , the Europe-based minerals development and exploration company, announces its unaudited quarterly results for the three months ended 31 March 2015, together with the unaudited, condensed interim consolidated Financial Statements.

Period Highlights

- The Resolution containing the granting of the Mining Permit for the Rio Tinto Copper Project ("Proyecto Riotinto") was signed on 23 January 2015
- Continued onsite development ahead of planned production restart
- Ongoing infill drilling with a view to defining a new resource

Post Period End Highlights

- £64.9 million capital raising completed via a placing, open offer and subscription at 4.75p per ordinary share
- The proceeds allow the immediate completion of the Proyecto Riotinto refurbishment, leading to an earlier than expected restart of production
- Funding in place to expand production to 7.5Mtpa
- Liberty Metals & Mining Holdings, LLC is now a cornerstone investor alongside Urion Holdings (Malta) Limited (an indirect subsidiary of Trafigura Beheer B.V), Orion Mine Finance (Master) Fund I XLP and Yanggu Xiangguang Copper Co. Ltd (via its affiliated company Hong Kong Xiangguang International Holdings Limited)
- Appointment of Jesus Fernandez Lopez to the Board of Directors

Enquiries

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Condensed interim consolidated income statements (unaudited)

	Notes	**Three months ended 31 March 2015**	Three months ended 31 March 2014
Exploration expenses		**(48)**	(23)
Care and maintenance expenses		**(4,215)**	(855)
Gross loss		**(4,263)**	(878)

Administrative expenses		**(1,087)**	(1,399)
Other income		**86**	-
Net unrealized foreign exchange loss		**(3,187)**	(26)
Finance costs		**(2,209)**	(2,235)
Loss before tax		**(10,660)**	(4,538)
Tax		**-**	-
Loss for the period		**(10,660)**	(4,538)
Loss attributable to:			
- Owners of the parent		**(10,660)**	(4,538)
- Non-controlling interests		**-**	-
		(10,660)	(4,538)
Loss per share from operations attributable to owners of the parent during the period:			
Basic and fully diluted loss per share (expressed in cents per share)	4	**(0.74)**	(0.36)
Loss for the period		**(10,660)**	(4,538)
Other comprehensive income:			
Change in value of available-for-sale investments		**-**	-
Total comprehensive loss for the period		**(10,660)**	(4,538)
Attributable to:			
- Owners of the parent		**(10,660)**	(4,538)
- Non-controlling interests		**-**	-
Total comprehensive loss for the period		**(10,660)**	(4,538)

EMED Mining Public Limited
(All amounts in Euro thousands unless otherwise stated)

Condensed interim consolidated statements of financial position (unaudited)

	Notes	31 March 2015	31 Dec 2014
Assets			
Non-current assets			
Property, plant and equipment	5	**73,938**	65,314
Intangible assets	6	**19,991**	17,655
		93,929	82,969
Current Assets			
Trade and other receivables	7	**4,183**	2,226
Available-for-sale investments		**984**	984
Cash and cash equivalents		**4,322**	21,050
		9,489	24,260
Total assets		**103,418**	107,229
Equity and Liabilities			
Equity attributable to owners of the parent			
Share capital	8	**4,409**	4,409
Share premium	8	**149,823**	149,823
Other reserves	9	**5,878**	5,815
Accumulated losses		**(113,662)**	(103,002)
		46,448	57,045
Non-controlling interests		**-**	(116)
Total equity		**46,448**	56,929
Liabilities			
Non-current liabilities			
Trade and other payables	10	**3,839**	4,631
		3,839	4,631
Current liabilities			
Convertible note - derivative component	11	**1,267**	130
Convertible note - debt component	11	**15,314**	13,952
Bridge loan facility	12	**21,640**	18,547
Trade and other payables	10	**14,910**	13,040
		53,131	45,669
Total liabilities		**56,970**	50,300
Total equity and liabilities		**103,418**	107,229

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Condensed interim consolidated statements of changes in equity (unaudited)

	Share capital	Share premium	Other reserves	Accumulated losses	Total	Non - controlling Interest	Total
At 1 January 2014	**3,830**	**134,316**	**5,724**	**(91,951)**	**51,919**	**(114)**	**51,805**
Total comprehensive loss for the period	-	-	-	(4,538)	(4,538)	-	(4,538)
Share issue costs	-	(36)	-	-	(36)	-	(36)
Recognition of share based payments	-	-	59	-	59	-	59
At 31 March 2014	**3,830**	**134,280**	**5,783**	**(96,489)**	**47,404**	**(114)**	**47,290**
Total comprehensive loss for the period	-	-	-	(6,708)	(6,708)	(2)	(6,710)
Issue of share capital	566	15,845	-	-	16,411	-	16,411
Share issue costs	-	(302)	-	-	(302)	-	(302)
Bonus shares issued in escrow	13	-	239	-	252	-	252
Bonus shares released from escrow	-	-	(195)	195	-	-	-
Change in value of available-for-sale investments	-	-	(202)	-	(202)	-	(202)
Recognition of share based payments	-	-	190	-	190	-	190
At 31 December 2014	**4,409**	**149,823**	**5,815**	**(103,002)**	**57,045**	**(116)**	**56,929**
Total comprehensive loss for the period	**-**	**-**	**-**	**(10,660)**	**(10,660)**	**-**	**(10,660)**
Purchase of minority interest shares	**-**	**-**	**-**	**-**	**-**	**116**	**116**
Bonus shares issued in escrow	**-**	**-**	**25**	**-**	**25**	**-**	**25**
Recognition of share based payments	**-**	**-**	**38**	**-**	**38**	**-**	**38**
At 31 March 2015	**4,409**	**149,823**	**5,878**	**(113,662)**	**46,448**	**-**	**46,448**

Condensed interim consolidated statements of cash flows (unaudited)

	Notes	Three months ended 31 March 2015	Three months ended 31 March 2014
Cash flows from operating activities			
Loss before tax		**(10,660)**	(4,538)
Adjustments for:			
Depreciation of property, plant and equipment	5	**33**	32
Amortisation of intangibles	6	**123**	-
Recognition of share-based payments	9	**38**	59
Bonus share issued in escrow	9	**25**	-
Interest expense		**75**	92
Loss on fair value on conversion of the convertible note		**1,137**	1,674
Accretion expense on convertible note		**31**	195
Bridge loan interest expense		**555**	-
Convertible note interest expense		**411**	273
Profit on disposal of property, plant and equipment		**-**	(6)
Unrealised foreign exchange loss on financing activities		**3,458**	98
Cash outflows from operating activities before working capital changes		**(4,774)**	(2,121)
Changes in working capital:			
Trade and other receivables		**(1,957)**	(42)
Trade and other payables		**1,078**	(136)
Cash flows used in operations		**(5,653)**	(2,299)
Interest paid		**(75)**	(92)
Tax paid		**-**	(13)
Net cash used in operating activities		**(5,728)**	(2,404)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(8,657)**	(532)
Purchase of intangible assets		**(2,336)**	(668)
Proceeds from sale of property, plant & equipment		**-**	14
Payment for increase in investment in subsidiary		**(7)**	-
Net cash used in investing activities		**(11,000)**	(1,186)
Cash flows from financing activities			
Listing and issue costs		**-**	(36)
Net cash used in financing activities		**-**	(36)
Net decrease in cash and cash equivalents		**(16,728)**	(3,626)
Cash and cash equivalents:			
At beginning of the period		**21,050**	8,634
At end of the period		**4,322**	5,008

EMED Mining Public Limited

(All amounts in Euro thousands unless otherwise stated)

Notes to the condensed interim consolidated financial statements
For the three months to 31 March 2015 and 2014 - (Unaudited)

1. General information

Country of incorporation

EMED Mining Public Limited (the "Company") was incorporated in Cyprus on 17 September 2004 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and was converted to a public limited liability company on 26 January 2005. Its registered office is at 1, Lampousas Street, Nicosia, Cyprus. The Company was listed on AIM of the London Stock Exchange in May 2005 and TSX on 20 December 2010.

Principal activities
The principal activity of the Company and its subsidiaries (together, "the Group") is committed to the development of metals production operations in Europe, with an initial focus on copper. The strategy is to evaluate and prioritise metal production opportunities in several jurisdictions throughout the well-known belts of base and precious metal mineralisation in the European region.

2. Basis of preparation and accounting policies

Basis of preparation
The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including International Accounting Standard 34 "Interim Financial Reporting" and IFRIC interpretations as adopted by the European Union (EU), using the historical cost convention.

These condensed interim consolidated financial statements ('the statements") are unaudited and include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the consolidated financial statements of the Company and the Group for the year ended 31 December 2014. These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the consolidated financial statements and other information set out in the Company's 31 December 2014 Annual Report. The accounting policies are unchanged from those disclosed in the annual consolidated financial statements.

The Directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Company and the Group have adequate available resources to continue in operational existence for the foreseeable future.

The financial statements have been prepared on a going concern basis, the validity of which depends principally on the availability of subsequent funding to extract the resource or alternatively the availability of funding to extend the Company's exploration activities. The financial statements do not include any adjustment that would arise from a failure to complete any of the above. Changes in future conditions could require write downs of the carrying values of property, plant and equipment and/or intangible assets.

Use and revision of accounting estimates
The preparation of the condensed interim consolidated financial statements requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Adoption of new and revised International Financial Reporting Standards (IFRSs)
The Group has adopted all the new and revised IFRSs and International Accounting Standards (IAS) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2015. The adoption of these Standards did not have a material effect on the condensed interim consolidated financial statements.

Critical accounting estimates and judgements
The fair values of the Groups' financial assets and liabilities approximate their carrying amounts at the reporting date. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are unchanged from those disclosed in the annual consolidated financial statements.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. Business and geographical segments

Business segments
The Group has only one distinct business segment, being that of mineral exploration and development.

Geographical segments
The Group's exploration and mining development activities are located in Cyprus and Spain and its administration is based in Cyprus.

Three months ended 31 March 2015	Cyprus	Spain	Other	Total
Operating loss	(914)	(4,340)	(10)	(5,264)
Finance cost	(2,134)	(75)	-	(2,209)
Unrealised foreign exchange loss	(3,151)	(36)	-	(3,187)
Operating loss for the period	(6,199)	(4,451)	(10)	(10,660)
Tax				-

	Cyprus	Spain	Other	Total
Net loss for the period				**(10,660)**
Total assets	**1,719**	**101,694**	**5**	**103,418**
Total liabilities	**(38,515)**	**(18,424)**	**(31)**	**(56,970)**
Depreciation of property, plant and equipment	**5**	**28**	**-**	**33**
Amortisation of intangible assets	**123**	**-**	**-**	**123**
Total net additions of non-current assets	**124**	**10,992**	**-**	**11,116**

Three months ended 31 March 2014	Cyprus	Spain	Other	Total
Operating loss	(872)	(1,397)	(8)	(2,277)
Finance costs	(2,142)	(93)	-	(2,235)
Unrealised foreign exchange loss	(25)	(1)	-	(26)
Operating loss for the period	(3,039)	(1,491)	(8)	(4,538)
Tax				-
Net loss for the period				(4,538)
Total assets	4,290	70,440	77	74,807
Total liabilities	(15,939)	(11,547)	(31)	(27,517)
Depreciation of property, plant and equipment	5	26	1	32
Total additions/(disposals) of non-current assets	-	1,200	(100)	1,100

4. Basic and fully diluted loss per share

The calculation of the basic and fully diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Three months ended 31 March 2015	Three months ended 31 March 2014
Parent Company	**(6,199)**	(3,039)
Subsidiaries	**(4,461)**	(1,499)
Net loss attributable to owners of the parent	**(10,660)**	(4,538)
Weighted number of ordinary shares for the purposes of basic loss per share (000's)	1,439,866	1,254,666
Loss per share:		
Basic and fully diluted loss per share (cents)	**(0.74)**	(0.36)

There are 6,314,862 warrants and 27,950,000 options which have been excluded when calculating the weighted average number of shares because they have an antidilutive effect.

5. Property, plant and equipment

Cost	**Land and buildings**	**Plant and machinery**	**Motor vehicles**	**Furniture, fixtures and equipment**	**Total**
At 1 January 2014	35,549	17,268	334	571	53,722
Additions	-	530	-	2	532
Disposals	-	-	(88)	(11)	(99)
At 31 March 2014	35,549	17,798	246	562	54,155
Additions	248	11,289	-	315	11,852
Disposals	-		(13)	(24)	(37)
At 31 December 2014	**35,797**	**29,087**	**233**	**853**	**65,970**
Additions	**-**	**8,605**	**8**	**44**	**8,657**
At 31 March 2015	**35,797**	**37,692**	**241**	**897**	**74,627**
Depreciation					
At 1 January 2014	-	158	239	273	670
Charge for the period	-	-	7	25	32
Disposals	-	-	(88)	(3)	(91)
At 31 March 2014	-	158	158	295	611
Charge for the period	-	-	17	61	78
Disposals	-	-	(13)	(20)	(33)
At 31 December 2014	**-**	**158**	**162**	**336**	**656**
Charge for the period	**-**	**-**	**5**	**28**	**33**
At 31 March 2015	**-**	**158**	**167**	**364**	**689**
Net book value					

At 31 March 2015	**35,797**	**37,534**	**74**	**533**	**73,938**
At 31 December 2014	35,797	28,929	71	517	65,314

The above fixed assets are located in Cyprus and Spain.

6. Intangible assets

	Permits of Rio Tinto Project	Goodwill	Total
Cost			
At 1 January 2014	14,821	10,023	24,844
Additions	668	-	668
At 31 March 2014	15,489	10,023	25,512
Additions	2,166	-	2,166
At 31 December 2014	**17,655**	**10,023**	**27,678**
Additions	**2,336**	**123**	**2,459**
At 31 March 2015	**19,991**	**10,146**	**30,137**
Provision for impairment			
On 1 January 2014	-	10,023	10,023
Provision for the period	-	-	-
At 31 December 2014	**-**	**10,023**	**10,023**
Provision for the period	**-**	**123**	**123**
At 31 March 2015	**-**	**10,146**	**10,146**
Net book value			
At 31 March 2015	**19,991**	**-**	**19,991**
At 31 December 2014	17,655	-	17,655

Carrying Value of Intangible Assets

The ultimate recoupment of balances carried forward in relation to areas of interest or all such assets including intangibles is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis unless indicators of impairment are present at the reporting date.

In considering the carrying value of the assets at Proyecto Riotinto, including the intangible assets and any impairment thereof, the Company assessed the carrying values having regard to (a) the current recovery value (less costs to sell) and (b) the net present value of potential cash flows from operations. In both cases, the estimated net realisable values exceeded current carrying values and thus no impairment has been recognised.

On 21 January 2015, EMED completed the purchase of the remaining 5% of the issued share capital of Eastern Mediterranean Minerals (Cyprus) Ltd ("EMM"), held by Hellenic Mining Public Company Ltd, for a consideration of €7,500. The purchase of the non-controlling interest resulted in a goodwill of €123,490. This goodwill was immediately impaired. EMED now holds 100% of the issued share capital of EMM.

7. Trade and other receivables

	31 March 2015	31 Dec 2014
Receivables from related parties	**11**	56
Deposits and prepayments	**156**	156
VAT	**3,865**	1,852
Other receivables	**151**	162
	4,183	2,226

8. Share capital and share premium

	Shares 000's	Share Capital GBP'000	Share premium GBP'000	Total GBP'000
Authorised				
Ordinary shares of GBP0.0025 each	2,200,000	5,500	-	5,500
Issued and fully paid	**000's**	**EUR'000**	**EUR'000**	**EUR'000**
Balance at 1 January and 31 March 2015	**1,439,866**	**4,409**	**149,823**	**154,232**

Issued capital
2015
No shares were issued in the period from 1 January 2015 to 31 March 2015.

Warrants

The Company has issued warrants to advisers to the Group. Warrants, noted below, expire five or one and a half years after the grant date and have exercise prices ranging from 8p to 11p. No warrants were issued in the period from 1 January 2015 to 31 March 2015. Details of share warrants outstanding as at 31 March 2015:

	Number of warrants 000's
Outstanding warrants at 1 January and 31 March 2015	**6,315**

9. Other reserves

	Share option	Bonus share	Available-for-sale investment	Total
At 1 January 2014	5,724	-	-	5,724
Recognition of share based payments	59	-	-	59
At 31 March 2014	**5,783**	**-**	**-**	**5,783**
Bonus shares issued in escrow	-	239		239
Bonus shares released from escrow	-	(195)		(195)
Change in value of available-for-sale investments	-	-	(202)	(202)
Recognition of share based payments	190	-		190
At 31 December 2014	**5,973**	**44**	**(202)**	**5,815**
Bonus shares issued in escrow	**-**	**25**	**-**	**25**
Recognition of share based payments	**38**	**-**	**-**	**38**
At 31 March 2015	**6,011**	**69**	**(202)**	**5,878**

Share options

No share options were issued in the period from 1 January 2015 to 31 March 2015. Details of share options outstanding as at 31 March 2015:

	Number of share options 000's
Outstanding options at 1 January and 31 March 2015	**27,950**

10. Trade and other payables

	31 March 2015	31 Dec 2014
Non-current trade and other payables		
Social Security*	**3,839**	4,631
	3,839	4,631
Current trade and other payables		
Trade payables	**9,722**	7,181
Social Security*	**3,072**	3,048
Land options and mortgage	**731**	731
Accruals	**1,366**	2,047
Tax liability	**15**	15
Other	**4**	18
	14,910	13,040

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

* On 25 May 2010 EMED Tartessus S.L recognized a debt with the Social Security's General Treasury in Spain amounting to €16.9 million that was incurred by a previous owner in order to stop the execution process by Public Auction of the land over which Social Security had a lien. €10 million has been repaid to date. Originally payable over 5 years, the repayment schedule was subsequently extended until June 2017.

11. Convertible note

	31 March 2015		31 December 2014	
	Debt component	Derivative component	Debt component	Derivative component
Opening balance	**13,952**	**130**	11,267	2,034
Accrued interest	**411**	**-**	1,309	-
Accretion expense	**31**	**-**	691	-
Foreign exchange	**920**	**-**	685	-
Fair value of the derivative component	**-**	**1,137**	-	(1,904)
Closing balance	**15,314**	**1,267**	13,952	130

	31 March 2015	31 Dec 2014
Current		
Derivative component	**1,267**	130
Debt component	**15,314**	13,952
	16,581	14,082

On 12 July 2013 the Company issued Convertible Notes (the "Notes") in the amount of £9,582,000 of which £7,026,800 was subscribed by XGC and £2,555,200 was subscribed by Orion. The Notes had an original term of 18 months to 12 January 2015 (the "Maturity Date"). As part of the Loan agreed on 24 December 2014 with the Note holders and others, the Maturity

Date of the Notes was extended to be the earlier of 30 March 2015 and the date on which the Loan is due for payment. On 27 March 2015, by virtue of the extension of the maturity date of the Loan (Note 24), the maturity date was extended to be the earlier of 30 June 2015 and the date of which the Loan is due for repayment. The Notes carry a coupon of 9% per annum in the first 12 months and 11% thereafter. Interest is capitalised every three months and will be rolled up, payable either on the Maturity Date or the earlier conversion or redemption of the Notes.

Within the period of 10 business days prior to the Maturity Date, the Note holders can elect to convert all outstanding principal and accrued interest of their Notes into ordinary shares of 0.25 pence each in the Company ("Ordinary Shares"). Note holders may also elect to convert their Notes following EMED seeking to redeem the Notes or a potential business sale or change of control of EMED. In addition, the Notes will automatically convert into new Ordinary Shares at the time the Company (or any of its subsidiaries) makes its first drawdown (the "Drawdown Date") from a facility made available by senior financial institutions for the restart of operations at the Company's Proyecto Riotinto in Andalucía, Spain. Where the Notes automatically convert on funds being made available under a senior secured debt facility, the conversion price of the Notes is the lower of 9 pence per share and the VWAP of an EMED share on AIM for the 20 immediately preceding trading days immediately preceding the Drawdown Date. In all other cases, the Notes would convert at 9 pence per share.

EMED may elect to redeem for cash the principal and accrued interest of the Notes at any time between 12 July 2014 (first anniversary of the date of issue) and the first to occur of the Drawdown Date or Maturity Date upon giving the holders of the Notes not less than 15 business days' notice. A Note holder may choose to convert their Notes into Ordinary Shares rather than have them redeemed but if they do so it will be at a price of 9 pence per share and is not conditional on the Drawdown Date occurring. The Notes benefit from security interests granted by EMED Mining over the share capital of EMED Holdings (UK) Limited and EMED Marketing Limited as well as certain intra-group debts owing to EMED Mining. In addition, EMED Mining and certain of its subsidiaries have undertaken not to further encumber their assets or share capital, save in certain circumstances, including in connection with the proposed senior debt facility required in order to restart operations at Proyecto Riotinto.

The Notes are subject to certain standard events of default following which Note holders may elect to immediately redeem their Notes and accrued interest. Assuming that the Notes convert in full at a conversion price of 9 pence per share (including the conversion of 21 months' accrued interest) the Note Holders would receive 125,494,668 shares. The Company paid intermediary fees of £192,000 on the issuance of these Notes. The Notes are considered hybrid financial instruments comprising a Note liability and a conversion feature for Ordinary Shares ("the Conversion Feature"). As the conversion price (9 pence) is denominated in a currency other than the Company's functional currency, the Conversion Feature is considered to be a derivative financial instrument and is measured at fair value through profit or loss.

On 25 June 2015, in connection with the Subscription, Placing and Open Offer to raise £64.9m announced on 28 May 2015, the liability to pay the outstanding principal of the Notes together with accrued interest up to and including 15 May 2015 was satisfied by the issue of 241,668,731 shares for the conversion of the Notes at 4.75 pence per share. The accrued interest from 15 May 2015 until 25 June 2015 was repaid from the proceeds of the Subscription.

On 31 March 2015, the fair value of the Conversion Feature was estimated to be €1,267,000 using the Black Scholes option pricing model; the inputs into the model were as follows:

Share price	£0.038
Exercise price	£0.0425
Expected volatility	71%
Expected life	0.25 years
Risk free rate	0.5%
Expected dividend yield	0%

12. Bridge loan facility

	31 March 2015	31 Dec 2014
Current		
Bridge loan	**22,857**	19,764
Bridge Loan - Financing costs	**(1,217)**	(1,217)
Total	**21,640**	18,547

On 24 December 2014, the Company agreed an unsecured bridging finance facility for up to US$30 million (the "Loan") with Trafigura, Orion and Hong Kong Xiangguang, an affiliate of XGC) (Trafigura, Orion and Hong Kong Xiangguang being the "Lenders").

The initial instalment of the Loan of US$24 million was drawn down on 30 December 2014, with the remaining $6m drawn down in early April 2015. The Loan is repayable on the earliest of three months following the receipt of the initial Loan funds, a change of control of the Company or the Company raising debt or equity funding in an amount equal to or greater than the amounts outstanding under the loan agreement.

The Company shall pay interest on the outstanding amount of the Loan at a rate of 10% per annum and there are no penalties for early repayment of the Loan, but in the event of a payment default the interest rate would rise to 12% per annum. Each Lender was paid an arrangement fee of 2.5% of the amount of the Loan advanced by that Lender and the Company reimbursed the due diligence and associated costs of the Lenders in connection with the Loan and other historic costs up to an aggregate amount of US$1.5 million, of which US$1 million will be paid out of the proceeds of the Loan and the balance of US$ 0.5 million will be added to the Loan and repaid at the time the Loan is repaid. Any additional costs of the Lenders will not be reimbursed at this time and will be deferred until such time as further finance is raised in excess of amounts outstanding under the loan agreement or, if earlier, 15 April 2015.

The arrangement fees and costs deducted amounted to USD 1.5 million (EUR 1.2 million). These costs have been deferred and will accrete over the life of the bridge loan. Trafigura was also granted the right to appoint an observer to attend meetings of the Board of Directors of EMED for such time as Trafigura holds not less than 15% of the issued share capital of the Company. This is in addition to the existing rights of Orion and XGC who each have the right to appoint a Director to the Board.

On 27 March 2015, the Company agreed with the Lenders to extend the Maturity Date of the Loan by three months to 30 June 2015. In consideration for extending the term of the Loan, should a meeting of shareholders not be called by 30 April 2015 in order to approve a long term funding package, the Company has agreed to pay an extension fee of 0.5% on all outstanding amounts (including accrued interest and costs) owed to the Lenders pursuant to the Loan and the Convertible Notes. Additionally, a further fee equal to 1% would be payable should a meeting of shareholders not be called by 31 May 2015. All other repayment terms of the Loan and Convertible Notes remain unchanged.

On 25 June 2015, in connection with the Subscription, Placing and Open Offer to raise £64.9m announced on 28 May 2015, the liability to pay the outstanding principal of the Loan together with accrued interest up to and including 15 May 2015 was satisfied by the issue of 452,648,133 shares for the conversion of the Notes at 4.75 pence per share. The accrued interest from 15 May 2015 until 25 June 2015 was repaid from the proceeds of the Subscription

13. Acquisition of subsidiaries

There were no acquisitions in the three months ended 31 March 2015.

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Compensation of key management personnel

The total remuneration and fees of Directors (including Executive Directors) and other key management personnel was as follows:

	Three months ended 31 March 2015	Three months ended 31 March 2014
Directors' fees	**88**	83
Share option-based benefits to directors	**14**	18
Bonus shares issued to Director, in escrow	**25**	-
Key management personnel fees	**158**	167
Share option-based and other benefits to key management personnel	**6**	192
	291	460

14.2 Share-based benefits

The directors and key management personnel have not been granted options during the three month period.

14.3 Transactions with shareholders

	31 March 2015	31 Dec 2014
XGC - Convertible note accrued interest	**303**	960

XGC - Bridge loan	**-**	6,588
XGC - Bridge loan deferred financing expenditure	**-**	(439)
XGC - Bridge loan accrued interest	**185**	-
Orion - Convertible Note accrued Interest	**110**	349
Orion - Bridge loan	**-**	6,588
Orion - Bridge loan deferred financing expenditure	**-**	(339)
Orion - Bridge loan accrued interest	**185**	-
Trafigura - Bridge loan	**-**	6,588
Trafigura - Bridge loan deferred financing expenditure	**-**	(439)
Trafigura - Bridge loan accrued interest	**185**	-
	968	19,856

14.4 Period-end balances with shareholders

	31 March 2015	31 Dec 2014
XGC - Convertible Note debt component	**11,230**	10,232
XGC - Convertible Note derivative component	**929**	95
XGC - Bridge loan	**7,619**	6,588
Orion - Convertible Note debt component	**4,084**	3,720
Orion - Convertible Note derivative component	**338**	35
Orion - Bridge loan	**7,619**	6,588
Trafigura - Bridge loan	**7,619**	6,588
	39,438	33,846

15. Contingent liabilities

In September 2008, the Group moved to 100% ownership of EMED Tartessus (and thus full ownership of Proyecto Riotinto) by acquiring the remaining 49% of the issued capital of EMED Tartessus. The cost of the acquisition was satisfied by issuing 39,140,000 Ordinary Shares to MRI Trading AG ("MRI") at an issue price of 21p per Ordinary Share and a deferred cash settlement of €53 million ("Deferred Consideration"), (including loans of €9,116,617.30 owed to companies related to MRI incurred in relation to the operation of Proyecto Riotinto). The obligation to pay the Deferred Consideration is subject to the satisfaction of the following conditions (the "Conditions"): (a) all authorisations to restart mining activities in Proyecto Riotinto having been granted by the Junta de Andalucía ("Permit Approval"); and (b) the Group securing a senior debt finance facility for a sum sufficient to restart mining operations at Proyecto Riotinto ("Senior Debt Facility") and being able to draw down funds under the Senior Debt Facility.

Originally the Group was obliged to pay the Deferred Consideration in instalments commencing on the date of drawdown under the Senior Debt Facility until the second anniversary of commercial production at Proyecto Riotinto. On 31 March 2009, pursuant to a deed of amendment, MRI consented to the Group paying the Deferred Consideration over a period of six or seven years following satisfaction of the Conditions (the "Payment Period") and to the arrangements that were entered into in connection with the Convertible Loan Facility (now repaid). In return, the Company agreed to potentially pay further Deferred Consideration of up to €15,900,000 in regular instalments over the Payment Period depending upon the price of copper. Any such additional Deferred Consideration would only be payable if, during the relevant period, the average price of copper per tonne is US$6,614 or more (US$3.00/lb). On 11 November 2011 MRI novated its right to be paid the Deferred Consideration to Astor Management AG ("Astor").

As security, inter alia, for the obligation to pay the Deferred Consideration to Astor, EMED Holdings (UK) Limited has granted a pledge to MRI Resources AG over the issued capital of EMED Tartessus and the Company has provided a parent company guarantee.

As at the date of this report, the mining Permit Approval has been satisfied. However, the Group has not entered into arrangements in connection with a Senior Debt Facility.

The Company's legal advisors are of the opinion that, in the absence of drawdown of funds by the Group pursuant to a Senior Debt Facility, there is significant doubt concerning the legal obligation on the Company to pay any of the Deferred Consideration. As the Group has not secured senior debt, the Directors have decided to derecognise the amount included in Q2 and Q3 2014 unaudited interim financial statements and revert to previous disclosure of this arrangement with Astor, as a contingent liability as was done in last year's financial statements. This matter will be kept under review as financing options for the restart of operations at Proyecto Riotinto are developed by the Company.

On 23 September 2010, EMED Tartessus ("EMEDT") was notified that the Andalucían Water Authority ("AWA") had initiated a Statement of Objections and Opening of File (the "Administrative File 2010") following allegations by third parties of unauthorized industrial discharges from the Tailings Management Facility ("TMF") at the Rio Tinto Copper Mine in the winter months of late 2010 and early 2011. These assertions are judicial (alleging negligence) and administrative (alleging damage to the environment) in nature. At that time, the Company owned 33% of the TMF and the owners of the remaining 67% are co-defendants (Rumbo and Zeitung).

In December 2011 the judicial claims were dismissed in the initial discovery phase by the appeals Court (upholding a lower court decision) finding that the controlled discharges of excess rainwater were force majeure events carried out to protect the stability of the TMF, thereby ensuring public safety and protection of the environment (the "Court Decisions"). Given that all judicial claims were dismissed in the very early stages of the court´s investigation, no formal charges were ever made against EMEDT or against any of its Directors or Officers.

Now that the Court Decisions are final, the Administrative File 2010, which can only result in a monetary sanction against the co-defendants, was re-opened. The defence arguments successfully used in a later case which has been dismissed on 11 February 2015 will be used in the Administrative 2010 and the management is positive that they will be accepted.

On January 2, 2013 EMEDT, Rumbo and Zeitung were notified of a Resolution of Fine and Damages (in a total amount of €1,867,958.39). In February 2013 EMEDT appealed this Resolution and the Court has agreed that the Fine and Damages amount be secured by a mortgage over certain properties owned by EMED until the final decision on the alleged discharges is known.

In the Company's view, no "industrial discharge" took place, but rather a force majeure controlled discharge of excess rainwater accumulated in the TMF since industrial operations ceased in the early 2000´s with no actual damage to the environment having taken place.

In the Company's view it is unlikely that any fine or sanction will be imposed against EMEDT once the Administrative File 2010 reaches its final conclusion after all appeals are exhausted in approximately 3-5 years.

On 28 January 2014, EMEDT was notified that the Huelva Territorial Delegation of the Ministry of Environment (which has absorbed the former AWA) had initiated another disciplinary proceeding for unauthorized discharge (the "Administrative File 2013") of administrative nature following allegations by the administration of alleged unauthorized industrial discharges from the TMF at the Rio Tinto Copper Mine during the heavy rains occurred from 7 March to 25 April 2013. The Administration has proposed the amount of €726,933.30 as compensation for alleged damages to the environment ("Public Water Domain") and a fine of between €300,507 to €601,012. On 11 February 2015, the Huelva Territorial Delegation of the Ministry of Environment dismissed the case. This outcome is especially relevant as it can now be used as a precedent for defence of any other proceedings of a similar nature.

On 19 February 2015, EMEDT was notified that the Huelva Territorial Delegation of the Ministry of Environment had initiated another disciplinary proceeding for unauthorised discharge (the "Administrative File 2014") which has proposed a fine of between €300,507 to €601,012. On 10 March 2015 the Company submitted the relevant defence arguments.

In the Company´s view, it is unlikely that any fine or sanction will be imposed against EMEDT once the Administrative files reach their final conclusion and taking into account the already accepted allegations and mentioned arguments of defence.

Rehabilitation obligation
The Group anticipates that a rehabilitation liability will be recognised upon commencement of operations at Proyecto Riotinto, the amount of which is not determinable at this time as it is subject to negotiation with the relevant authorities.

16. Commitments

Spain
There are no minimum exploration requirements at Proyecto Riotinto. However, the Group is obliged to pay municipal land taxes which currently are approximately €110,000 per year in Spain and the Group is required to maintain the Rio Tinto site in compliance with all applicable regulatory requirements.

As part of the consideration for the purchase of land from Rumbo, EMED Tartessus has agreed to pay a royalty to Rumbo subject to commencement of production of $250,000 in each quarter where the average price of LME copper or the average copper sale price achieved by the Group is at least $2.60/lb. No royalty is payable in respect of any quarter where the average copper price for that quarter is below this amount and in certain circumstances any quarterly royalty payment can be deferred until the following quarter. The royalty obligation terminates 10 years after commencement of production.

Commencement of production is defined as being the first to occur of processing of ore at a rate of nine million tonnes per annum for a continuous period of six months or the date that is 18 months after the first product sales from Proyecto Riotinto. Additionally, if after seven years from the date of the land purchase, the Group has not obtained all necessary licenses to open and operate Proyecto Riotinto, the land will be sold back to Rumbo for €1. Should the Group sell the land prior to this date to a third party, Rumbo shall be paid €5.5 million and the above mentioned royalty novated to the third party.

EMED Tartessus has entered into a 50/50 joint venture with Rumbo to evaluate and exploit the potential of the class B resources in the tailings dam and waste areas at Proyecto Riotinto. Under the joint venture agreement, EMED Tartessus will be the operator of the joint venture, will reimburse Rumbo for the costs associated with the application for classification of the Class B resources and will fund the initial expenditure of a feasibility study up to a maximum of €2 million. Costs are then borne by the joint venture partners in accordance with their respective ownership interests. Half of the costs paid by EMED Tartessus in connection with the feasibility study can be deducted from any royalty which may fall due to be paid.

At Proyecto Riotinto, the Group has four year options with each of Zeitung and Inland for the purchase of certain land plots adjacent to the mine at a purchase price of €4.202 million (expiry date 31 July 2016) and €4.648 million (expiry date 2 August 2016) respectively. The Zeitung option requires an annual option payment from the Group of €119,500 and the Inland option requires an annual payment of €130,500 which is deductible from the purchase price. In each case, half of the purchase price can be made by the issue of shares in EMED Mining based on a weighted average market price at the time of the purchase.

Slovakia
Annual tenement rental fees are €41,000. EMED has met all of its obligations to date. All annual technical and financial reports have been submitted on time. Exploration commitments are in the order of €65,000. In December 2014, EMED has entered into a conditional Earn-in Agreement with Prospech Ltd ("Prospech"), a private Australian exploration company, in relation to 2 exploration licences held by EMED's 100% owned Slovakian subsidiary, Slovenske Kovy s.r.o. Prospech will invest up to a €1 million over a three-year period in return for an 81% interest in Slovenske Kovy.

Other
In Cyprus, there are no exploration commitments required and tenement rentals are approximately €30,000 per annum.

17. Events after the reporting period

On 25 June 2015, the Company completed a fundraising of £64.9m (before expenses) by the issue of 1,366,203,821 new Ordinary Shares at an issue price of 4.75 pence per share. The capital raising was effected by a way of a subscription, placing and open offer. In addition, amounts owed by the Company pursuant to the Loan facility and Notes were satisfied by the issue of 694,316,864 new Ordinary Shares at the issue price of 4.75 pence per share.

Mr. Jesus Fernandez, an employee of the Trafigura Group, joined the Board of the Company on 23 June 2015.

There were no other events after the reporting period, which would have a material effect on the consolidated financial statements.