



TRI-STAR RESOURCES PLC
("Tri-Star" or the "Company")

Interim Results for the three and six month period ended 30 June 2014

Tri-Star (AIM: TSTR), the integrated antimony development company, is pleased to announce results for the three and six months ended 30 June 2014.

A copy of these interim results and the Management Discussion and Analysis in respect of the interim results will be uploaded to the Company's website www.tri-starresources.com shortly.

Results for the Period

In the three months to 30 June 2014, the Company recorded an operating loss of £589,000 (2013: loss of £705,000) and a total comprehensive loss of £292,000 (2013: loss of £616,000). In the six months to 30 June 2014, the Company recorded an operating loss of £1,230,000 (2013: £1,227,000, year to 31 December 2013: £2,701,000) and a total comprehensive loss of £534,000 (2013: loss of £1,206,000, year to 31 December 2013 £2,996,000).

Business Review for the Period

Significant developments for the Company are set out below.

1. *Oman Based Roaster Project*

On 14 April 2014, the Company announced that it had entered into a shareholders' agreement with its joint venture partners Oman Investment Fund and Castell Investments Ltd in respect of Strategic & Precious Metals Processing LLC ("SPMP"), a joint venture company which is intended will construct and operate a 20,000 tonne per annum nameplate capacity antimony metal and tri-oxide manufacturing roasting facility in the Sultanate of Oman (the "Roaster Project").

SPMP has since been incorporated in the Sohar Free Trade Zone ("Sohar FTZ") in Oman. The Sohar FTZ is being developed into a major regional and international hub for the downstream processing of metals and minerals. It is served with excellent logistical nodes, including its close proximity to the Port of Sohar, and low energy costs. In June 2014, SPMP entered into a land lease over a 22 hectare plot in Sohar FTZ.

The Roaster Project remains subject to a number of conditions including securing banking finance and obtaining the necessary permits to operate the Roaster including environmental approvals.

2. *Canada*

On 7 February 2014, the Company announced an update on the exploration program carried out in late 2013 on the Bald Hill antimony property, which was acquired by Tri-Star as part of the acquisition of Portage Minerals Inc. ("Portage") which completed in Q4 2013.

The additional exploration on the Bald Hill property was completed to meet annual work requirements to maintain the property in good standing. The Bald Hill deposit, one of the largest undeveloped antimony projects in Canada, is located within the Annidale Belt, approximately 40 kilometres northwest of Sussex, New Brunswick.

A further update with regard to Bald Hill detailing the discovery of a new area of antimony mineralisation was provided in the announcement dated 16 July 2014.

3. Turkey

Tri-Star's Turkey business unit comprises the evaluation and redevelopment of a historical artisanal mine in a known antimony belt in Göynük in the Murat Dagi mountains of western Turkey.

On 3 April 2014 the Company announced that part of the eastern part of the exploration area at Göynük had been upgraded to a mining license. Further permitting will be required however in order for a mining and operations permit to be issued and for future mining operations to take place.

Financing

Post the period under review, on 27 August 2014, the Company completed the issuance of a further £2.0m convertible secured loan notes to Odey European Inc with terms as detailed in the announcement dated 18 July 2014.

Outlook

The Company continues to expect 2014 to be a period of significant advancement for the Company.

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TRI-STAR RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2014

<i>Notes</i>	Unaudited six months ended 30 June 2014	Unaudited three months ended 30 June 2014	Unaudited six months ended 30 June 2013	Unaudited three months ended 30 June 2013	Audited Year ended 31 December 2013
	£'000	£'000	£'000	£'000	£'000
Share based payment charge	(12)	-	(400)	(154)	(413)
Exploration expenditure and other administrative expenses	(1,215)	(587)	(818)	(547)	(2,272)
Amortisation of intangibles	(3)	(2)	(9)	(4)	(16)
Total administrative expenses	(1,230)	(589)	(1,227)	(705)	(2,701)
Finance income	820	84	1	1	174
Finance cost	(357)	(194)	(6)	(6)	(220)
Loss before and after taxation, and loss attributable to the equity holders of the Company	(767)	(699)	(1,232)	(710)	(2,747)
Loss before and after taxation attributable to					
Non-controlling interest	(44)	(21)	-	-	(173)
Equity holders of the parent	(723)	(678)	(1,232)	(710)	(2,574)
Other comprehensive (expenditure)/income					
Items that will be reclassified subsequently to profit and loss					
Exchange differences on translating foreign operations	233	407	26	94	(249)
Total other comprehensive income/(expenditure) for the period, net of tax	233	407	26	94	(249)
Total comprehensive loss for the period, attributable to owners of the company	(534)	(292)	(1,206)	(616)	(2,996)
Total comprehensive loss attributable to					
Non-controlling interest	(44)	(21)	-	-	(173)
Equity holders of the parent	(490)	(271)	(1,206)	(616)	(2,823)
Loss per share					

Basic and diluted loss per share
(pence)

5

(0.01)

(0.01)

(0.02)

(0.01)

(0.05)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Share capital	Share premium account	Other reserves	Share-based payment reserve	Translation reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2013 (audited)	2,441	9,118	(6,156)	1,659	97	(6,544)	615	-	615
Share based payments	-	-	-	246	-	-	246	-	246
Transactions with owners	-	-	-	246	-	-	246	-	246
Loss for the period	-	-	-	-	-	(590)	(590)	-	(590)
Total comprehensive loss for the period	-	-	-	-	-	(590)	(590)	-	(590)
Balance at 31 March 2013 (unaudited)	2,441	9,118	(6,156)	1,905	97	(7,134)	271	-	271
Issue of share capital	23	1,479	-	(1,000)	-	-	502	-	502
Share issue costs	-	(32)	-	-	-	-	(32)	-	(32)
Share based payments	-	-	-	154	-	-	154	-	154
Transactions with owners	23	1,447	-	(846)	-	-	624	-	624
Loss for the period	-	-	-	-	-	(642)	(642)	-	(642)
Other comprehensive income for the period	-	-	-	-	26	-	26	-	26
Total comprehensive loss for the period	-	-	-	-	26	(642)	(616)	-	(616)
Balance at 30 June 2013 (unaudited)	2,464	10,565	(6,156)	1,059	123	(7,776)	279	-	279
Issue of share capital	56	2,597	-	-	-	987	3,640	-	3,640
Share based payments	-	-	-	13	-	-	13	-	13
Transactions with owners	56	2,597	-	13	-	987	3,653	-	3,653
Loss for the period	-	-	-	-	-	(1,342)	(1,342)	(173)	(1,515)
Other comprehensive income for the period	-	-	-	-	(275)	-	(275)	-	(275)
Total comprehensive loss for the period	-	-	-	-	(275)	(1,342)	(1,617)	(173)	(1,790)
Balance at 31 December 2013 (audited)	2,520	13,162	(6,156)	1,072	(152)	(8,131)	2,315	(173)	2,142
Issue of share capital	-	5	-	-	-	-	5	-	5
Share based payments	-	-	-	12	-	-	12	-	12
Transactions with owners	-	5	-	12	-	-	17	-	17
Loss for the period	-	-	-	-	-	(45)	(45)	(23)	(68)
Other comprehensive income for the period	-	-	-	-	(174)	-	(174)	-	(174)

Total comprehensive loss for the period	-	-	-	-	(174)	(45)	(219)	(23)	(242)
Balance at 31 March 2014 (unaudited)	2,520	13,167	(6,156)	1,084	(326)	(8,176)	2,113	(196)	1,917
Issue of share capital	-	5	-	-	-	-	5	-	5
Transactions with owners	-	5	-	-	-	-	5	-	5
Loss for the period	-	-	-	-	-	(678)	(678)	(21)	(699)
Other comprehensive income for the period	-	-	-	-	59	-	59	-	59
Total comprehensive loss for the period	-	-	-	-	59	(678)	(619)	(21)	(640)
Balance at 30 June 2014 (unaudited)	2,520	13,172	(6,156)	1,084	(267)	(8,854)	1,499	(217)	1,282

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2014

		Unaudited 30 June 2014	Unaudited 31 March 2014	Unaudited 30 June 2013	Unaudited 31 March 2013	Audited 31 December 2013
Assets	Notes	£'000	£'000	£'000	£'000	£'000
Non-current						
Intangible assets		4,747	4,690	14	20	4,897
Property, plant and equipment		77	84	37	45	87
		<u>4,824</u>	<u>4,774</u>	<u>51</u>	<u>65</u>	<u>4,984</u>
Current						
Cash and cash equivalents		896	1,467	1,632	327	2,101
Trade and other receivables		128	98	158	94	87
		<u>1,024</u>	<u>1,565</u>	<u>1,790</u>	<u>421</u>	<u>2,188</u>
Total current assets		<u>1,024</u>	<u>1,565</u>	<u>1,790</u>	<u>421</u>	<u>2,188</u>
Total assets		<u><u>5,848</u></u>	<u><u>6,339</u></u>	<u><u>1,841</u></u>	<u><u>486</u></u>	<u><u>7,172</u></u>
Liabilities						
Current						
Trade and other payables		433	411	223	215	413
Financial liability		426	499	-	-	1,234
		<u>859</u>	<u>910</u>	<u>223</u>	<u>215</u>	<u>1,647</u>
Total current liabilities		<u>859</u>	<u>910</u>	<u>223</u>	<u>215</u>	<u>1,647</u>
Liabilities due after one year						
Loans	6	2,916	2,731	1,339	-	2,568
Deferred tax liability		791	781	-	-	815
		<u>4,566</u>	<u>4,422</u>	<u>1,562</u>	<u>215</u>	<u>5,030</u>
Total liabilities		<u>4,566</u>	<u>4,422</u>	<u>1,562</u>	<u>215</u>	<u>5,030</u>
Equity						
Issued share capital		2,520	2,520	2,464	2,440	2,520
Share premium		13,172	13,167	10,565	9,118	13,162
Share based payment reserve		1,084	1,084	1,059	1,905	1,072
Other reserves		(6,423)	(6,482)	(6,033)	(6,126)	(6,308)
Retained earnings		(8,854)	(8,176)	(7,776)	(7,066)	(8,131)
		<u>1,499</u>	<u>2,113</u>	<u>279</u>	<u>271</u>	<u>2,315</u>
Non-controlling interest		(217)	(196)	-	-	(173)

Total equity	1,282	1,917	279	271	2,142
Total equity and liabilities	5,848	6,339	1,841	486	7,172

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2014

	Unaudited six months ended 30 June 2014	Unaudited three months ended 30 June 2014	Unaudited six months ended 30 June 2013	Unaudited three months ended 30 June 2013	Audited Year ended 31 December 2013
	£'000	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Loss after tax	(767)	(699)	(1,232)	(710)	(2,747)
Amortisation of intangibles	3	2	9	4	16
Depreciation	13	6	13	7	26
Finance income	(2)	(1)	(1)	(1)	(3)
Finance cost	347	184	6	6	225
Fees paid by shares	10	5	-	-	110
Equity settled share-based payments	12	-	400	154	413
Movement on fair value of derivatives (Increase)/decrease in trade and other receivables	(808)	(73)	-	-	(171)
Increase/(decrease) in trade and other payables	(39)	(28)	(44)	(70)	65
	<u>25</u>	<u>26</u>	<u>85</u>	<u>111</u>	<u>(524)</u>
Net cash outflow from operating activities	<u>(1,206)</u>	<u>(578)</u>	<u>(764)</u>	<u>(499)</u>	<u>(2,761)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	(9)	-	(8)	1	(74)
Sale of property, plant and equipment	11	-	-	-	-
Cash on acquisitions	-	-	-	-	7
Finance income	2	1	1	1	3
	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
Net cash inflow/(outflow) from investing activities	<u>4</u>	<u>1</u>	<u>(7)</u>	<u>2</u>	<u>107</u>
Cash flows from financing activities					
Proceeds from issue of share capital	-	-	500	500	500
Share issue costs	-	-	(32)	(32)	(32)
Finance cost	-	-	(6)	(6)	(252)
New loans	-	-	1,333	1,333	4,000
	<u>-</u>	<u>-</u>	<u>1,333</u>	<u>1,333</u>	<u>4,000</u>
Net cash inflow from financing activities	<u>-</u>	<u>-</u>	<u>1,795</u>	<u>1,795</u>	<u>4,216</u>
Net (decrease)/increase in cash and cash equivalents	(1,202)	(577)	1,024	1,298	1,562
Cash and cash equivalents at beginning of period	2,101	1,467	601	327	601
Exchange differences on cash and cash equivalents	(3)	6	7	7	(62)

Cash and cash equivalents at end of period

<u>896</u>	<u>896</u>	<u>1,632</u>	<u>1,632</u>	<u>2,101</u>
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NOTES TO THE INTERIM REPORT FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2014

1. GENERAL INFORMATION

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 year ended 31 December 2013 have been completed and filed at Companies House. The auditor's report on the annual financial statements was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

The Company's ordinary shares are quoted on the AIM market of the London Stock Exchange and the Company applies the Companies Act 2006 when preparing its annual financial statements.

The annual financial statements for the year ended 31 December 2014 will be prepared under International Financial Reporting Standards as adopted by the European Union (IFRS) and the principal accounting policies adopted remain unchanged from those adopted in preparing its financial statements for the year ended 31 December 2013.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

GOING CONCERN

The Directors have prepared cash flow forecasts for the period ending 30 September 2015. The forecasts identify unavoidable third party running costs of the Company and demonstrate that the Company has sufficient cash resources available to allow it to continue in business for a period of at least twelve months from the date of approval of these interim financial statements. Further development of the Company's exploration and investment activities, including any direct investment in the Roaster Project, will continue as and when finance is available. Accordingly, the accounts have been prepared on a going concern basis.

3. SEGMENTAL REPORTING

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available. The chief operating decision maker has defined that the Group's only reportable operating segment during the period is mining.

The Group has not generated any revenues from external customers during the period.

In respect of the non-current assets as at 31 March 2014 of £4,774,000, £64,000 arise in the UK, (31 March 2013: £11,000) and £4,710,000 arise in the rest of the world (31 March 2013: £54,000).

In respect of the non-current assets as at 30 June 2014 of £4,824,000, £59,000 arise in the UK (30 June 2013: £9,000, 31 December 2013: £70,000), and £4,765,000 arise in the rest of the world (30 June 2013: £42,000, 31 December 2013: £4,914,000).

4. TAXATION

Unrelieved tax losses of approximately £5.93 million as at 30 June 2014 (31 March 2013: £3.90 million, 30 June 2013: £3.71 million, 31 December 2013: £5.09 million and 31 March 2014: £5.52 million) remain available to offset against future taxable trading profits. The unprovided deferred tax asset at 30 June 2014 is £1,423,000 (31 March 2013: £923,000, 30 June 2013: £1,014,000, 31 December 2013: £1,239,000 and 31 March 2014: £1,338,000) which has not been provided on the grounds that it is uncertain when taxable profits will be generated by the Group to utilise those losses.

5. PROFIT/LOSS PER SHARE

The calculation of the basic profit/(loss) per share is based on the profit/(loss) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Unaudited six months ended	Unaudited three months ended	Unaudited six months ended	Unaudited three months ended	Audited year ended
	30 June 2014	30 June 2014	30 June 2013	30 June 2013	31 December 2013
	£'000	£'000	£'000	£'000	£'000
Loss on ordinary activities after tax (£'000)	<u>(767)</u>	<u>(699)</u>	<u>(1,232)</u>	<u>(710)</u>	<u>(2,747)</u>
Weighted average number of shares for calculating basic loss per share	<u>6,845,835,849</u>	<u>6,844,731,389</u>	<u>5,388,371,732</u>	<u>6,845,835,849</u>	<u>5,815,090,030</u>
Basic and diluted loss per share (pence)	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.05)</u>

Diluted earnings per share is the same as basic loss per share in each year because the potential shares arising under the share option scheme, share warrants and convertible bonds are anti-dilutive.

The weighted average number of ordinary shares excludes deferred shares which have no voting rights and no entitlement to a dividend.

6. CONVERTIBLE SECURED LOAN NOTES

In 2013 Tri-Star issued £4m convertible secured loan notes ("Convertible Bonds") to Odey European Inc. The Convertible Bonds carry a non-cash coupon of 15% per annum which compounds half yearly and are secured

by way of a guarantee and debenture granted by Tri-Star Antimony Canada Inc. They are redeemable at 100% of their principal amount plus accrued interest on 19 June 2018 (unless otherwise previously redeemed or converted).

The Convertible Bonds are convertible at 100% of their principal amount plus accrued interest at the holder's option into ordinary shares at a conversion price which is fixed at the time of conversion at a 10% discount to the lower of:

- the latest equity funding round completed prior to the issue of the conversion notice; and
- any equity funding round completed within 10 days of the conversion notice

As at 30 June 2014, 31 March 2014 and 31 December 2013, the conversion price stood at £0.0027 per Tri-Star ordinary share.

The carrying value of the host debt component of the Convertible Bonds at 30 June 2014 amounted to £2,916,000 (31 December 2013: £2,568,000, 31 March 2014: £2,731,000).

The conversion option (limited by the early repayment clause) is an embedded derivative treated as a liability at fair value through profit and loss. At 30 June 2014, the fair value of the embedded derivative, calculated using the Black-Scholes option valuation model, was £426,000 (31 December 2013: £1,234,000, 31 March 2014: £499,000). The decrease in fair value in the 6 month period, amounting to £808,000, has been recorded in finance income in the Consolidated Income Statement for the period ended 30 June 2014 (31 December 2013: £171,000, 31 March 2014: £735,000).

The Convertible Bonds are recorded in the Consolidated Statement of Financial Position as:

Asset/liability	On Issue	Profit and loss movement	At 31 December 2013	Profit and loss movement	At 31 March 2014	Profit and loss movement	At 30 June 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carrying value of host debt instrument	(2,343)	(225)	(2,568)	(163)	(2,731)	(184)	(2,916)
Fair value of derivative	(1,405)	171	(1,234)	735	(499)	73	(426)
TOTAL	(3,748)	(54)	(3,802)	572	(3,230)	(111)	(3,341)

The movement in the carrying value of the host debt instrument relates to accrued interest.

The key data for the valuation model were the share price and number of shares, expected option maturity life, risk free interest rate and underlying volatility as set out in the table below.

	31 December 2013	31 March 2014	30 June 2014
“Spot Tri-Star” price, in £	0.0028	0.0022	0.0019
“Strike” conversion price, in £	0.0027	0.0027	0.0027
Maturity	31 December 2014	31 December 2014	31 December 2014
Volatility	58%	58%	86%
Number of shares	1,803,010,994	1,803,010,994	1,803,010,994

On issue the host debt instrument liability was recorded at £2,343,000 being the difference between the fair value of the derivative and the proceeds. Thereafter in line with accounting standards the host debt instrument is carried at amortised cost with an effective interest rate of 27.24%.