

EASTINCO MINING AND EXPLORATION PLC

(“EME” OR THE “COMPANY”)

Interim Results for the six months ended 30th June 2020

I am pleased to announce the Interim Results of the Company for the half-year ending 30th June 2020. The start of the year was typical but as the world quickly realised 2020 would turn out to be exceptional.

Since the end of the year 2019, Eastinco Mining and Exploration Plc has continued with the development of its mechanised wash plant at the Kuaka mine site. These accounts relate to the Company for the first half of 2020 and reflect a loss of £(266,000) primarily from administrative and development costs relating to the Kuaka mine site. This is an improvement or a reduction in loss of £56,000 over the prior half-year period.

With the onset of COVID19 and the resulting shutdown of borders and mining activity in Rwanda progress was dramatically slowed on our key project, the Kuaka mine site. We are so pleased to have such committed and helpful stakeholders: the management teams have committed to forgoing cash compensation; the shareholders have contributed significant amounts of new equity capital; and employees and local partners have all worked to assist the the Company's continued operations and its success.

CHAIRMAN'S STATEMENT

Half-Year 2020 Update

On 09 January 2020, the Company announced change of name from Equatorial Mining and Exploration Plc to Eastinco Mining and Exploration Plc and shortly thereafter on 26 February 2020, the Company signed a joint venture agreement with Dynasty Construction Ltd to explore for tin, tungsten and tantalum mineral resources on a 400+ hectare exploration site near Huye, Rwanda through its subsidiary Eastinco Limited. We are excited to begin this joint-venture operation.

On the 11 March 2020 the World Health Organisation declared COVID-19 a global pandemic. Rwanda immediately imposed one of Africa's first total shutdowns on 22 March 2020 and suspended mining operations in the country. The country has since lifted strict lockdown measures and our staff have resumed work and will continue to focus on administrative tasks including planning for the development and further exploration of the sites at Kuaka and Huye.

On 19 March 2020, the Company in response to the Rwanda mining shutdown, announced that it entered into a USD 200,000 working capital facility agreement with Augustin Corp. The Facility is secured against the physical assets of Eastinco Limited and is provided for a term of up to 18 months and with an interest rate equal to 6% above commercial lending rates. Augustin Corp. is a U.S. investment company related to the Chairman, Charles Bray; and as such, the transaction is considered a related party transaction. We pared back expenditure and initiated cash saving measures given the high capital expenditure related to the wash plant.

COVID-19

Given the uncertainty with respect to the duration and severity of COVID-19 and its related economic impacts, it is likely that the Company will need to employ even more careful considerations and judgment pertaining to investment valuations. Key inputs to investment valuation models, such as cash flow forecasts and/or inputs into the discount rates, are likely to change, especially in industries where there is likely to be a shift in demand, disruptions in supply chain, etc. The extent of the impact of COVID-19 on the Company at this stage is still unknown, and the Company will monitor the situation closely and update shareholders on at least a quarterly basis.

Half-Year Subsequent Events

New Capital

In July 2020, 48 million shares equivalent of warrants with a gross exercise consideration of £ 760,730 were exercised and that exercising warrants to date have been offered new four year warrants with a 3 pence exercise price for each warrant exercised. Following the conversion of 15,905,500 warrants the Concert party now holds 88,807,084 shares in the enlarged company, which represents 21.2% of the enlarged company. The Company also issued 7,000,000 shares to professional advisors and service providers for supplies provided.

We are presently calculating the full number of warrants expiring 30 September 2020 and exercised by shareholders. This additional capital will be important to allowing the Company the flexibility to continue its growth with the start of exploration activities at the Huye site, where the Company has a joint-venture with our local partner.

Additionally, we have announced the completion of the Kuaka site wash plant and are in the process of commissioning the plant to optimise its productive capability. We hope to complete the commissioning over the next several weeks to allow for a significant increase in tantalum recoveries from the ore body.

Charles Bray

Charles Bray
Executive Chairman

08 October 2020

Enquiries:

For further information, please visit <http://www.eastinco.com/> or contact:

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The Directors take responsibility for this announcement.

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	6 months to 30-Jun-19 £'000	6 months to 30-Jun-18 £'000	Year to 31-Dec-19 £'000
Total revenue			
Sales	6	-	-
Other revenue	26	-	-
Cost of sales	-	-	-
	32	-	-
Administrative expenses	(209)	(322)	(892)
Provision against loan advanced to related party	(68)	-	(34)
Net gain on investment property	(277)	(322)	(926)
Total operating profit/(loss)	(245)	(322)	(926)
Interest payable and similar charges	(8)	-	(8)
Loss before tax	(253)	(322)	(934)
Tax expense	-	-	-
Loss after tax	(253)	(322)	(934)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Gain on translation of foreign operations	(13)	-	(94)
	(266)	(322)	(1,028)
Loss per share			
Basic and Diluted loss per share (pences)	(0.07)	(0.03)	(0.47)

* Comparative weighted average number of shares is adjusted for the impact of the share consolidation

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

GROUP	Share capital	Share premium	Share-based compensation reserve	Interest in shares in EBT	Translation reserve	Other Reserve	Merger relief reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2019	1,126	1,835	1,348	(133)	-	-	-	(4,328)	(152)
Loss for the year	-	-	-	-	-	-	-	(322)	(322)
Other comprehensive loss	-	-	-	-	-	-	-	-	-
Transactions with owners									
Issue of new shares	82	-	-	-	-	-	-	-	82
At 30 June 2019	1,208	1,835	1,348	(133)	-	-	-	(4,650)	(392)
At 1 January 2020	3,613	1,835	1,348	(133)	-	97	1,200	(5,254)	2,612
Loss for the year	-	-	-	-	-	-	-	(253)	(253)
Other comprehensive loss	-	-	-	-	(13)	-	-	-	(13)
Transactions with owners									
Other reserve	-	-	-	-	-	-	-	-	-
Transfer from other reserve to accumulated losses	-	-	-	-	-	(8)	-	8	-
Share based compensation	-	-	-	-	-	-	-	-	-
Exercise of warrants	146	73	-	-	-	-	-	-	-
Conversion of unsecured loan note	-	-	-	-	-	-	-	-	-
Issue of new shares	50	-	-	-	-	-	-	-	269
At 30 June 2020	3,809	1,908	1,348	(133)	(13)	89	1,200	(5,499)	2,615

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		
	30-Jun-20 £'000	30-Jun-19	31-Dec-19 £'000
Non-current assets			
Goodwill	2,263	-	2,168
Property, plant and equipment	498	-	441
Total non-current assets	2,761	-	2,609
Current assets			
Trade and other receivables	193	247	133
Cash and cash equivalents	173	47	246
Total current assets	366	294	379
Total assets	3,127	294	2,988
Equity and liabilities			
Share capital	3,809	1,208	3,613
Share premium	1,908	1,835	1,835
Share based compensation reserve	1,348	1,348	1,348
Interest in shares in EBT	(133)	(133)	(133)
Translation reserve	(13)	-	(94)
Accumulated losses	(5,499)	(4,650)	(5,254)
Other reserves	89	-	97
Merger relief reserve	1,200	-	1,200
Total equity	2,709	(392)	2,612
Current liabilities			
Trade and other payables	207	686	173
Total current liabilities	207	686	173
Non-current liabilities			
Loan notes	211	-	203
Total non-current liabilities	211	-	203
Total Equity and liabilities	3,127	294	2,988

EASTINCO MINING AND EXPLORATION PLC

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		
	6 months to 30-Jun- 20 £'000	6 months to 30-Jun-19 £'000	Year to 31-Dec- 19 £'000
Cash flow from operating activities			
Profit/(loss) before tax	(253)	(322)	(933)
<u>Adjustments for:</u>			
Depreciation	-	-	5
Interest expense	8	-	8
Provisions against loans	68	-	34
Foreign exchange (gains)/losses	-	-	2
Operating profit/(loss) before working capital changes	(177)	(322)	(885)
<u>Changes in working capital:</u>			
Increase in trade & other receivables	(60)	(340)	(150)
Increase in trade & other payables	34	709	194
Cash generated from operations	(26)	369	44
Net cash flow from operating activities	(203)	47	(840)
Cash flow from investing activities			
Purchase of property, plant and equipment	(89)	-	(237)
Acquisition of subsidiary	-	-	107
Funds advanced to subsidiary pre acquisition	-	-	(490)
Net cash from from investing activities	(89)	-	(620)
Cash flow from financing activities			
Exercise of warrants	219	-	-
Conversion of convertible loan note	-	(82)	-
Net proceeds from issue of shares	-	82	1,706
Net cash flow from financing activities	219	-	1,706
Net increase/(decrease) in cash & cash equivalents	(73)	47	246
Cash & cash equivalents at beginning of the period	246	-	2
Effect of exchange rate movements on cash	-	-	(2)
Cash & cash equivalents at end of the period	173	47	246

EASTINCO MINING AND EXPLORATION PLC

NOTES TO THE ACCOUNTS FOR SIX MONTHS ENDED 30 JUNE

2020

1. Basis of preparation of interim report

The financial information for the period ended 30 June 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It has been prepared in accordance with the accounting policies set out in, and is consistent with, the audited consolidated financial statements for the twelve months ended 31 December 2019. A copy of the statutory accounts for the period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

2. Going concern

The Directors are of the opinion that the financial information should be prepared on a going concern basis.

3. Loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted loss per share is based on the following figures.

	6 Months to 30 June 2020 GBP'000	6 Months to 30 June 2019 GBP'000	Year to 31 December 2019 GBP'000
Total loss for the period	(253)	(322)	(934)
	Number	Number	Number
Consolidated weighted average number of shares – basic	364,278,319	117,156,506	200,814,390
Basic loss per shares	(0.07p)	(0.03p)	(0.47p)
Diluted loss per share	(0.07p)	(0.03p)	(0.47p)

4. Reports

A copy of this announcement will be mailed to shareholders and it is available on the company's website at <http://www.eastinco.com/>