



CIC GOLD GROUP LIMITED 

**INTERIM CONDENSED UNAUDITED
CONSOLIDATED FINANCIAL STATEMENTS**

For The Six Months Ended 30 June 2016

Notice to Reader

The accompanying interim condensed unaudited consolidated financial statements of CIC Gold Group Limited (the “Company”, the “Group” or “CIC Gold”), comprised of the Interim Condensed Consolidated Statement of Financial Position as at 30 June 2016, 30 June 2015 and 31 December 2015, the Interim Condensed Consolidated Statements of Comprehensive Income and Interim Condensed Consolidated Statements of Cash Flows for the six-month periods ended 30 June 2016 and six-month periods ended 30 June 2015 and year ended 31 December 2015, and Interim Condensed Consolidated statements of Shareholders’ equity for the six-month period ended 30 June 2016 are the responsibility of the Company’s management. The independent external auditors of the Company have not reviewed these financial statements.

CORPORATE DIRECTOR

Company Secretary	Estera Corporate Services (Seychelles) Limited (Formally called Appleby Corporate Services (Seychelles) Limited) Suite 202, 2nd Floor, Eden Plaza Eden Island PO Box 1352 Mahe, Seychelles
Registered office of the Company	2nd Floor, Eden Plaza Eden Island PO Box 1352 Mahe, Seychelles
London Representative Office	35 Piccadilly, London W1J 0DW, UK
English Legal Adviser to the Company	Pitmans (UK) LLP No 1 Royal Exchange London ECV 3DG
Seychelles Legal Adviser to the Company	Estera Corporate Services (Seychelles) Limited (Formally called Appleby Corporate Services (Seychelles) Limited) Suite 202, 2nd Floor, Eden Plaza Eden Island P O Box 1352 Mahe, Seychelles
Hong Kong Legal Adviser to the Company	Francis & Co. in association with Addleshaw Goddard (Hong Kong) LLP 802-804 Citibank Tower 3 Garden Road Central, Hong Kong
Chinese Legal Adviser to the Company	Beijing Zenwen Law Firm 418, Tower 1 China World Towers No.1 Jianguomenwai Dajie Beijing, PRC
Auditors	Chapman Davis LLP 2 Chapel Court London SE1 1HH, UK
Registrars	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES

Chairman's Statement

CIC Gold Group Limited, during the interim period ending 30 June 2016 has focused on the acquisition of Gobi Minerals Group LLP by way of a reverse take over, special shareholder meeting to approve the acquisition held in February 2016, preparing new prospectus for re-admission, the transfer of Gobi Mineral title and public company compliance.

Post interim period ending 30 June 2016, the Company has effected the transfer of the mineral title to Gobi Minerals Group LLP, held its annual general meeting and filed the prospectus with the UK Listing Authority for re-admission. The Gobi Mineral tile, formally owned by Ivanhoe mines is a very significant mineral asset, which is adjacent to producing mines. The Company is confident that in the near future the Company will select a mining company to earn in equity for possible future divestment.

The company has sufficient cash in bank to continue to fund its operations over the next 15 months in Asia and draw down convertible CIC Fund loan for any expenditure outside Asia. The Company has two convertible loans in place, Hong Kong Syndicate £1,076,000 (remains undrawn) and CIC Fund £1,200,000.

As at six-month ended June 30 2016, CIC Gold Group Limited earned revenues of £nil (2015: £nil) and loss before taxation of £337,191 (2015: Loss £1,316,649). Cash at end of period was £395,810.

The Company has continued our focus on controlling any new debt and reducing existing debt. The majority of the loss was for the initial listing costs. The Company excluding outstanding Director fees reduced the outstanding creditors to £257,219. HE Barsbold reduced his CEO salary from £12,000 to £6,000 whilst the company is going through re-admission. The Company from its funds in China funded significant costs relating to Gobi Minerals acquisition within the original working capital projections.

Going forward the Company will maintain high level of regulatory compliance standards, seek re-admission to trading, affect the de-risking strategies of Gobi Minerals Group LLP and seek out additional high value acquisitions.

I would like to take this opportunity to thank staff and shareholders for their continued support and belief in the Board's strategy for the Company's direction.



Michael M. Smith

Chairman

CIC Gold Group Limited

31 August 2016

Statement of Directors' Responsibilities

The Directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the Annual Report includes information required by the London Stock Exchange.

Electronic Communication

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the Seychelles governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' responsibilities pursuant to DTR 4

The Directors confirm to the best of their knowledge:

- the Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulations and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Interim Report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description or the principal risks and uncertainties that they face.

By order of Board:


Michael M. Smith
Non-Executive Chairman

31 August 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For Six-Month Ended 30 June 2016

		Six month period ended 30 June 2016	Six month period ended 30 June 2015	Year ended 31 December 2015
	Note	Unaudited	Unaudited	Audited
Revenue		-	-	-
Administration costs		(337,191)	(975,655)	(1,316,649)
Share based payments	6	-	(86,388)	(86,388)
Operating loss		(337,191)	(1,062,043)	(1,403,037)
Loss before taxation		(337,191)	(1,062,043)	(1,403,037)
Income tax expenses	7	-	-	-
Loss after taxation		(337,191)	(1,062,043)	(1,403,037)
Loss for the period		(337,191)	(1,062,043)	(1,403,037)
Other comprehensive income (expense)				
Other Income (expenses)		-	-	-
Total comprehensive loss attributable to owners of the parent		(337,191)	(1,062,043)	(1,403,037)
<i>Loss per common share:</i>				
Basic and diluted (pence)	8	(0.33)	(1.10)	(1.40)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For Six-Month Ended 30 June 2016

	Note	June 30, 2016 (Unaudited) £	June 30, 2015 (Unaudited) £	December 31, 2015 (Audited) £
Assets				
Current assets				
Cash		395,810	1,009,960	966,264
Trade and other receivables		124,007	111,000	89,400
Total assets		519,918	1,120,960	1,055,664
Equity and liabilities				
Capital and reserves		-	-	-
Share capital	7	1,725,001	1,725,001	1,725,001
Convertible loans classified as equity		-	-	65,047
Warrant reserve		86,388	86,388	86,388
Accumulated deficit		(1,764,641)	(1,086,456)	(1,427,450)
Total equity attributable to equity holders		46,748	724,933	448,986
Current liabilities				
Trade and other payables	6	473,069	396,027	606,678
Total current liabilities		473,069	396,027	606,678
Total equity and liabilities		519,918	1,120,960	1,055,664

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For Six-Month Ended 30 June 2016

	Note	Six month period ended 30 June 2016 Unaudited	Six month period ended 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
Operating Activities				
Net loss for the period		(337,191)	(1,062,043)	(1,403,037)
		(337,191)	(1,062,043)	(1,403,037)
Share based payments	6	-	86,388	86,388
Changes in non-cash working capital items:				
Decrease / (increase) in trade and other receivables		(34,607)	242,292	263,893
Increase in trade and other payables		(133,609)	226,958	528,973
Net cash generated from operating activities		(505,407)	469,250	(523,783)
Financing Activities				
Issue of common shares	6	-	-	-
Increase due to related parties		-	91,365	-
Issue of convertible loan	9	(65,047)	1,425,000	1,490,047
Net cash inflow from financing activities		(65,047)	1,516,365	1,490,047
Increase in cash and cash equivalents during the period		(570,454)	1,009,960	966,264
Cash and cash equivalents, beginning of the period		966,264	-	-
Cash and cash equivalents at end of the period		395,810	1,009,960	966,264

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For Six-Month Ended 30 June, 2016

	Share capital £	Convertible loan classified as equity £	Warrant reserve £	Accumulated deficit £	Total £
On incorporation on 6 May 2014	1	-	-	-	1
<i>Comprehensive income:</i>					
Loss for the period	-	-	-	(24,413)	(24,413)
Total comprehensive loss for the period	1	-	-	(24,413)	(24,413)
<i>Transactions with owners:</i>					
Issue of Convertible loan, classified as equity	-	300,000	-	-	300,000
Total transactions with owners	-	300,000	-	-	300,000
Balance, December 31, 2014	1	300,000	-	(24,413)	275,588
<i>Comprehensive income:</i>					
Loss for the period	-	-	-	(1,403,037)	(1,403,037)
Total comprehensive loss for the period	1	-	-	(1,403,037)	(1,403,037)
<i>Transactions with owners:</i>					
Issue of warrants	-	-	86,388	-	86,388
Issue of Convertible loan, classified as equity	-	1,490,047	-	-	1,490,047
Convertible loan conversion	1,725,000	(1,725,000)	-	-	-
Total transactions with owners	1,725,000	(234,953)	86,388	-	1,576,435
Balance, 31 December, 2015	1,725,001	65,047	86,388	(1,427,450)	448,986
<i>Comprehensive income:</i>					
Loss for the period	-	-	-	(337,191)	(337,191)
Total comprehensive loss for the period	-	-	-	(337,191)	(337,191)
<i>Transactions with owners:</i>					
Convertible loan conversion	-	(65,047)	-	-	(65,047)
Total transactions with owners	-	(65,047)	86,388	(337,191)	(402,238)
Balance, 30 June, 2016	-	-	86,388	(1,764,641)	(18,299)

Notes to the Financial Statements

for six-month ended 30 June 2016

1. NATURE OF OPERATIONS AND GOING CONCERN

CIC Gold Group Limited is a public company incorporated on May 6, 2014 under the International Business Companies Act 1994 in the Republic of Seychelles. The Company was listed on the Standard Listing segment of the Official List and admitted to trading on the London Stock Exchange's Main Market for listed securities on 23 June 2015.

The Company was established in order to seek acquisition opportunities in the gold sector and to provide de-risk services to client gold mineral companies.

The Company's strategy is to identify client companies that are in the belief of the Directors undervalued gold properties where gold is the principal commodity or gold mining is the principal activity, held by quoted and private companies with strong underlying fundamentals suitable for producing substantial increases in value by funding and applying de-risking strategies and other corporate actions.

The fundamentals that the Company will seek to identify are client companies whose gold mineral assets are located in known major gold regions, close to major producing mines and have strong technical evidence of major gold potential. It is anticipated that these gold companies will most likely be located in Asia or Africa, but should suitable opportunities be available outside of these geographical locations, they will be pursued. CIC Gold has experienced directors having skills in adding value to gold mines and gold mining operations on an international basis.

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of no less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The interim condensed unaudited consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed unaudited consolidated financial statements for the six months ended 30 June 2015 have been prepared on a basis consistent with, and on the basis of, the accounting policies set out in, the financial information on the Company set out in Part 9 (B) of the Company's Prospectus for admission to the Standard Listing segment of the Official List for the eight month period ended 31 December 2014 has been extracted without adjustment therefrom. The condensed unaudited interim financial statements of the Group have been prepared on the basis of the accounting policies, presentation, methods of computation and estimation techniques expected to be adopted in the financial information by the Company in preparing its annual report for the period ending 31 December 2015.

Unless otherwise stated, the consolidated financial information has been presented in United Kingdom pounds ("£"), being the functional currency of the Group.

2.2 *Basis of consolidation*

The interim condensed unaudited consolidated financial statements incorporate the results of the Company and its subsidiaries CIC Gold Group Limited (Hong Kong) and Top Ten Services Company (China), collectively (the "Group").

Notes to Financial Statements (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 *Basis of consolidation (continued)*

The non-statutory financial statements of the subsidiaries are prepared for the same reporting year as the parent company using consistent accounting policies. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Control is lost where the Group no longer has the power to govern the financial and operating policies of an entity so as to obtain benefits from the activity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full on consolidation. Unrealised losses are also eliminated when the transaction provides evidence of an impairment of the asset transferred.

No non-controlling interests exist as the subsidiaries are entirely owned by the parent company. Where necessary, adjustments are made to the non-statutory financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

2.3 *Significant Standards and interpretations issued but not yet applied*

The Directors have considered those standards and interpretations, which have not yet been applied in the condensed consolidated interim financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of the Group.

2.4 *Foreign exchange*

Monetary assets and liabilities denominated in foreign currencies are translated into UK Pounds at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss.

For the purpose of presenting interim condensed consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in UK Pounds using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve.

Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to Financial Statements (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Share-based payments and warrants

The cost of share options or warrants granted is measured by reference to the fair value at the date at which they are granted. It is recognised together with a corresponding increase in equity, over the vesting period. The cumulative expense recognised at each reporting date until the end of the vesting period reflects the extent to which the vesting period has expired and the number of shares that in the opinion of the directors of the Group at that date will ultimately vest.

3. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern including the preservation of capital and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash to cover operating costs over a reasonable future period. The Company's principal cash will be held in the UK.

4. BUSINESS SEGMENTS

For the purpose of IFRS8, the Chief Operating Decision Maker (the "CODM") takes the form of the board of directors. The Directors are of the opinion that the business of the Group comprises a single activity, being the acquisition of undervalued gold properties.

The analysis of turnover, gross profit, assets, liabilities, additions to plant, property and equipment and depreciation and amortisation by the component used by the CODM to make decisions about operating matters is as follows:

	Six month period ended 30 June 2016	Six month period ended 30 June 2015
Revenue	-	-
Operating Loss	(337,191)	(1,062,043)
Carrying amount of assets	519,818	1,120,960
Carrying amount of liabilities	473,069	396,027

5. RELATED PARTY TRANSACTIONS

Due To Related Parties

As at 30 June 2016, Outstanding director fees amount to £191,925.

Notes to Financial Statements (continued)

6. SHARE CAPITAL AND RESERVES

Authorised:

Unlimited common shares without par value.

Issued and allotted shares outstanding (GBP£):

	Number of common shares	Amount £
Balance, May 6, 2014	1	1
Share issuance to CIC Fund	2,250,881	-
Balance, December 31, 2014	2,250,882	1
Share issuance to CIC Fund for nominal consideration	3,029,118	-
Share issuance to Shareholders	66,560,000	-
Share issuance to EDC (Geoffrey Cowley)	3,000,000	-
Conversion of the convertible loans to CIC Fund	28,750,000	1,725,000
Balance, December 31, 2015	103,590,000	1,725,001
Share issuance to Shareholders	-	-
Conversion of the convertible loans to CIC Fund	-	-
Balance, June 30, 2016	103,590,000	1,725,001

Common shares

There were no common shares issued during the period by 30 June 2016

Warrants:

During the period, there were no warrants issued.

Notes to Financial Statements (continued)

6. SHARE CAPITAL AND RESERVES (continued)

The following is the summary of the Company's outstanding warrants at 30 June 2016:

	30 June 2016		30 June 2015	
	Warrants	Weighted Average Exercise Price GBP	Warrants	Weighted Average Exercise Price GBP
Balance of warrants at beginning of the period	-	-	-	-
CIC Capital Fund Ltd.	28,750,000	0.06	28,750,000	0.06
Dell Balfour	3,220,000	0.30	3,220,000	0.30
VSA Capital Limited	2,761,200	0.06	2,761,200	0.06
Jarada Equities Limited	2,500,000	0.30	2,500,000	0.30
Balance of warrants at end of the period	37,231,200	0.10	37,231,200	0.10

		30 June 2016	30 June 2015
Expiry date	Exercise price	Number of warrants	Number of warrants
Balance, at beginning of the period	-	-	-
December 31, 2016	0.30	3,220,000	3,220,000
December 31, 2016	0.30	2,500,000	2,500,000
December 31, 2016	0.06	28,750,000	28,750,000
December 31, 2019	0.06	2,761,200	2,761,200
Balance, at end of the period	0.10	37,231,200	37,231,200

The fair value of the warrants has been calculated using Black Scholes option pricing model. The additional inputs used in the model were a share price at the date of grant of £0.03125, volatility of 120% and a risk-free interest rate of 1.82%.

Share Purchase Options (GBP£):

The Company does not have a stock option plan. Rather the Company will award other securities (shares) which will grant incentive shares to Directors, officers and employees at the discretion of the Company's Remuneration Committee.

7. TAXATION

The Company is a Seychelles Corporation subject to a corporate tax rate of nil as at 30 June 2016 (2015 nil).

Notes to Financial Statements (continued)

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period:

Loss attributable to equity holders of the Group: GBP337,191 (2015: GBP 1,062,043)

Weighted average number of ordinary shares in issue: 103,590,000 (2015: 96,311,500)

Basic loss per share: GBP £0.0033 (2015: GBP 0.0094)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group has made a loss in the period, the potential ordinary shares are anti-dilutive and not included in the calculation.

	30 June 2016	30 June 2015	December2015
Weighted average number of ordinary shares in issue:	103,590,000	96,311,500	100,258,303
Adjustments for:			
Warrants	-	-	-
	<hr/>	<hr/>	<hr/>
	103,590,000	96,311,500	100,258,303
Diluted loss per share (pence)	(0.33)	(1.10)	(1.40)

9. CONVERTIBLE LOANS CLASSIFIED AS EQUITY

Pursuant to an agreement dated 19 August 2014, an unsecured and interest free Convertible Loan of £300,000, was granted to the Company from CIC Capital Fund Ltd, a company registered in British Columbia, Canada. During the 8-month period ending 31 December 2014, £86,296 was received and expensed by the company. The balance of £213,704 was recorded within "other receivables" on the Group's statement of financial position as at 31 December 2014. This loan was repayable on the second anniversary of the Convertible Loan Agreement, if not converted earlier. The Convertible Loan Agreement provided that the Convertible Loan was convertible by the Company, at its option, into 5,000,000 Common Shares at the Conversion Price and 5,000,000 Convertible Loan Warrants.

On account of the Convertible Loans being convertible at the option of the Company, and in the absence of any interest payable on the Convertible Loans, no element of the financial instrument meets the criteria of a financial liability as defined by IAS 32 Financial instruments: presentation - paragraph 11. As such, the equity element of the Convertible Loans recognised directly in equity under "Convertible Loans classified as equity" amounted to £300,000 as at 31 December 2014.

During the period ended 30 June 2015, a second convertible loan on the same terms of £1,425,000 was granted to the company from CIC Fund. Both convertible loans were converted at the conversion price into 28,750,000 Common Shares on 13 January 2015.

During the year ended 31 December 2015, a third loan on the same term of £65,047 was granted to the company from CIC Fund.

On 6 Jan 2016, the company repaid £200,000 convertible loan via trust account. The company was granted a fourth loan of £78,736 from CIC Fund. There were amount of £65,047 recorded as other receivable from CIC Fund by 30 June 2016.

Notes to Financial Statements (continued)

10. ACQUISITION

During the year the Board agreed to acquire Gobi Minerals Group subject to shareholder approval which was granted by special shareholder meeting held on 19 February 2016. Gobi Minerals Group collectively own a 100% interest (the "Interest") in mineral title Altan Tobchi, a gold and copper mineral asset of 478 square km, situated in the South Gobi region of Mongolia, 560 km from Ulaanbaatar city. It is located adjacent to Mongolian Alt Corporation now in production. It is also located in the area of the world leading producing copper gold deposit Oyu Tolgoi owned by Turquoise Hill Ltd.

11. SUBSEQUENT EVENTS

- 1 Acquisition of Gobi Minerals Group LLP.
The Vendors advised the mineral title was successfully transferred on 26 July 2016.
- 2 The Annual and Special Shareholder meeting was held 11 August 2016.
- 3 The Company filed with the UK listing Authority a new prospectus for re-admission following the acquisition of Gobi Minerals Group LLP.