7 June 2016

Kemin Resources Plc
('Kemin" or the "Company')

Preliminary Results for the Year Ended 31 December 2015

Kemin (AIM: KEM), a molybdenum and tungsten exploration and development company with substantial interests in Kazakhstan, today announces its preliminary results for the Year Ended 31 December 2015.

Highlights

- Continuation of exploration programme to include further drilling and infrastructure enhancement in order to efficiently mine the resource in the future
- The value of the Drozhilovskoye and Smirnovskoye molybdenum and tungsten deposits to be preserved pending a recovery in metal prices in the future
- Completion of Competent Person's Reports to be postponed until the completion of the additional exploration programme, which the Company aims to have finished in H1 2017
- Continued support for the Company from Amrita Investments Limited, an entity owned by the Company's majority shareholders
- Attributable loss of £1,101,000 (2014: £818,000) in the year

The accounts for the year ended 31 December 2015 will shortly be available at the Company's website, www.keminresources.com, in accordance with AIM Rule 26.

The Annual General Meeting of the Company will be held at the offices of BDO LLP, 55 Baker Street, London,W1U 7EU on 29 June 2016 at 11:00am

Commenting on the results, Sanzhar Assaubayev, the CEO of Kemin, said:

"The recent stabilisation of molybdenum and tungsten prices is encouraging and we continue to evaluate future demand for both minerals in neighbouring China. Through the work programme currently underway we are enhancing our understanding of the geological resources so that we will be able to move quickly to project development and production once the economic climate is more favourable."

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Information on the Company

Kemin Resources plc (AIM: KEM) was formed into its present structure in April 2013 by the reverse take-over of GMA Resources plc by the 'Joint Venture Kazakh-Russian Mining Company LLP' (KRMC). The Company is focused on developing its two molybdenum and tungsten deposits Drozhilovskoye and Smirnovskoye. Each of the deposits is assessed to have significant value. Kemin's 90% owned Kazakh entity, KRMC, is the developer and future operator of the two subsoil licences that allow mining to take place at each deposit. Both deposits are located in northern Kazakhstan.

Chairman's Statement

Since I last reported to you there has not been any significant change in the prices of our principal commodities. However it appears that the prices have stabilised, with Molybdenum trading around US$16,000 a metric tonne. It appears clear to both myself and the Board that our current strategy is the correct one to maximise the return to shareholders. In simple our strategy is to put major development of the assets on hold whilst at the same time putting the Company in a position to develop the resource once economic conditions improve.

In the current year we have taken steps to improve our understanding of our deposits performing infill drilling and targeting potentially high grade zones for testing, this has been complemented by laboratory testing of samples. Some improvements have been made to the infrastructure but at this stage we are conscious of cost control at all levels. In this regard cost savings were made at head office in order to preserve the cash balances at this time.

The work undertaken was used to underpin our licence renewals for both deposits, and a detailed programme of exploration works has formed part of our application to extend the licences which are currently with the relevant ministry. We will continue with further exploration and evaluation work during the licence renewal process and do not anticipate any issues in the grant of the licences contract extensions.

As stated previously, the Board is of the opinion that both Drozhilovskoye and Smirnovskoye remain very attractive projects for Kemin and, because of their relatively high grades, low strip ratios and their proximity to the largest steel producer in the world, China, they remain outstanding investment opportunities. However, given the current pricing environment the Board will continue to refine its understanding of the resources and to optimise the strategy for bringing the commodities into commercial production in the medium to long term. It is difficult at this stage to give a definitive roll out plan, to move the Company to the production phase, however the Board is reassessing the situation on a regular basis.

In the meantime, the Board remains focussed on preserving cash and maintaining our low cost base where possible.

The Company will continue to benefit from the backing of its major shareholder, which has indicated its support for the current strategy and will provide finance as and when required.

Kanat Assaubayev
Chairman

6 June 2016

Chief Executive Officer's statement

Since our H1 2015 results, when we reported that it would not make economic sense to accelerate into production our Drozhilovskoye and Smirnovskoye deposits given current market conditions, we have been undertaking certain further work to optimise returns to shareholders in the future. During this period we are aware that we also need to maintain our focus on keeping our operating costs to a minimum, with the aim to be able to move quickly once the conditions are conducive to the development of the asset.

We are currently in the process of renewing the licences for both sites, and have provided all the necessary documentation to the relevant authorities in Kazakhstan. The normal process time tends to span between 9-12 months. We are confident we will obtain the necessary licence extensions and expect the confirmation of licence extension for contract 1605 (Smirnovskoye). This licence will run until 2018 with contract 1606 (Drozhilovskoye) running to 2021. Licence 1605 recently expired in May 2016 but we expect to obtain confirmation in relation to this in H2 2016 or H1 2017 at the latest.

The recent price performance of molybdenum and tungsten has stabilised with the current prices for molybdenum and tungsten in the region of US$16,000 and US$10,500 per metric tonne respectively. We do not believe that moving the resource to the production phase at these prices will deliver the maximum return to our shareholders.

As noted in the 2015 interim results, Kemin's management team has been continuing its work following up on the recommendations provided by consultants for both Drozhilovskoye and Smirnovskoye. A number of key actions were identified at that stage, and these are forming the basis of the current work programme, and are expanded on below:

- further infill drilling of the ore body has been undertaken and specific areas have been targeted in order to increase the resource confidence. During 2015 nineteen exploratory holes were drilled on the Smirnovskoye prospect, and 34 in the Drozhilovskoye deposit with a number of core samples being processed. In particular further laboratory testing has been undertaken into the metallurgy properties of tungsten and to identify other resources such as lithium, rubidium and caesium and their potential value;

- upgrades have been made at both sites to the infrastructure to include hydro geological works, and upgrades to the pumping stations and offices. Further work has been undertaken in relation to geophysical surveys, topographical studies and assessments in relation to environmental impact of development; and

- an updated geological model is being completed encompassing the results obtained from the additional drilling complimented with modelling techniques as recommended by the external advisors to better understand the available resources.

It is expected that once the geological model has been re-assessed and remodeled using implicit modelling techniques and further metallurgical studies are carried out on tungsten, a more detailed pit optimization and pushback study will be carried out which we anticipate will be completed in H1 2017. This will be key in order to better determine the mining options and to complete a life of mine plan. It is envisaged that the greater depth of information available will be used to complete more detailed CPR's in relation to both deposits. The current intention is to finalise the report once the work programme is completed, and move onto a feasibility study after this stage.

The key factors now required to move the Company forward are out of the Company's control, being the improvement in the price of both Molybdenum and Tungsten. Albeit it is not envisaged that the price will return to the levels of a few years ago, the Board does believe there will be a cyclical upturn in the price sufficient to justify the move to development. At this point the Company will be well positioned to move quickly ahead with the roll out plan to move into production.

As reported in the interims a number of preliminary discussions were undertaken with Chinese groups however there are currently no plans to follow up on any of the discussions that were held. We still believe that there are good opportunities to work with a number of interested parties, however the Board is of the opinion this better undertaken once a more defined rollout plan backed up with more detailed information is developed.

Mineral resource statement

The tables below demonstrate the most recent reserves / resources for the two deposits at a cut-off grade of 0.05% based on GKZ classifications as follows:

Drozhilovskoye

Reserve/ Resource Classification	Ore Reserve/ Resource (Mt)	Molybdenum Metal (kt)	Molybdenum Grade (%)	Tungsten Metal (kt)	Tungsten Grade (%)
C1	139.8	262.9	0.19	64.3	0.05
C2	130.5	77.5	0.06	88.3	0.03
P	300	150	0.05	150	0.05

Smirnovskoye

Reserve/ Resource Classification	Ore Reserve/ Resource (Mt)	Molybdenum Metal (kt)	Molybdenum Grade (%)	Tungsten Metal (kt)	Tungsten Grade (%)
C1	170.5	221.7	0.13	17.1	0.01
C2	108.1	114.2	0.11	13.2	0.12
P	673	417	0.06	165	0.03

Financial performance

The consolidated loss attributable to Kemin shareholders in the 12 months ended 31 December 2015 was £1,101,000 (FY 2014: £818,000). The overall loss including that attributable to minority shareholders was £1,261,000 (2014:£870,000), an increase of £391,000.

The increase in the loss is principally a reflection of the devaluation of the Kazakh Tenge in the year, which saw it reduce in value against the Pound and US Dollar by 75% from the start of year. The retranslation of the non-intercompany dollar denominated loans in the subsidiary has resulted in forex loss of approximately £575,000 due to this devaluation. The other principal expense relates to finance charges which total £377,000. These are accrued charges mainly in relation to the borrowings from Amrita, which are in line with the prior year. Administrative expenses reduced from £340,000 last year to £309,000 in the current year, due to cuts at Head Office in the support functions of investor relations and consultancy, they are set to reduce again in the forthcoming year.

As in the prior year the cash spend is kept to a minimum at present with a limited capital expenditure programme.

The current cash balances and availability of further draw downs on the loan facility if required, provides sufficient funds for the company to continue to meet its current obligations.

Principal risks and uncertainties

The principal and other risks which the Group is exposed to are:

- Availability of future funding;
- Political and economic environment;
- Fluctuation in commodity prices;
- Financial risk;
- The resources differing in grade and quantity to that predicted by feasibility studies;
- Fluctuations in exchange rates resulting from changes in the value of Kazakh Tenge

Mitigation of risks and uncertainties

The Company's Management has analysed the risks and uncertainties and monitors the risks as far as it is practical do so given the early development of the Company.

Certain factors are beyond the control of the Company such as the fluctuations in the price of the commodities. However the Group is aware of these factors and tries to mitigate them as far as possible. In relation to the commodity prices, we plan to preserve the value of our projects until such time as commodity prices recover in the future. The current plan is to continue exploration of the sites in order to maximise the value from exploitation of the resource at a later stage.

The Company cannot control the political and economic environment of the country in which the resources are based. However, to minimise the risk, Kemin maintains close relationships with the Kazakhstan authorities in order to minimise bureaucratic delays and problems.

The Company has no current plans to raise further finance at present. However in the future it is the Company's aim is to fix interest rates, where possible, with the preferred option being to raise funds via equity. As stated the Company has sufficient working capital facilities at present to meet its current cash flow requirements.

The Company has used independent consultants experienced in resource reports, of the type required by the Group, to mitigate as far as possible any material changes in the resource estimates.

Key Performance Indicators

Given the stage of development of the Company, the key performance indicators used by the management for monitoring progress and strategic objectives for the business are set out below:

	31 December	
	2015	2014
Molybdenum resources (Metal equivalent) - inferred (Kt)	484.6	484.6
Tungsten resources (Metal equivalent)- inferred (Kt)	81.4	81.4
Molybdenum resources - inferred grade (%)	0.156	0.156
Tungsten Resources - inferred grade (%)	0.026	0.026
Cash Balance (£000's)	307	704
Exploration expenditure (cumulative - £000's)	2,070*	2,801
Net loss (£000's)	1,261	870

*Reduction in value of the exploration expenditure is due to the effect of the exchange devaluation of the Kazakh Tenge against Sterling.

The key statistic is the level of resources which has been measured under the GKZ classification and will be updated under JORC (2012) by an independent consultancy once the additional exploration and evaluation work is completed. This is expected to be completed in H1 2017.

Given the stage of development of the Group, it has a low number of employees who are concentrated in the head office.

The Strategic report was approved and authorised by the Board on 6 June 2016 and signed on its behalf by:

Sanzhar Assaubayev
Chief Executive Officer

Consolidated statement of profit or loss

Year ended 31 December 2015

	Year ended 31 December 2015	Year ended 31 December 2014
	£000	£000
Administrative Expenses	**(309)**	(340)
Operating loss	**(309)**	(340)
Finance income	**-**	1
Finance expense	**(952)**	(531)
Loss before income tax	**(1,261)**	(870)
Income tax expense	**-**	-
Loss for the year	**(1,261)**	(870)
Loss for the year attributable to:		
Equity shareholders of the parent	**(1,101)**	(818)
Non-controlling interest	**(160)**	(52)
	(1,261)	(870)
Loss per ordinary share - basic and diluted		
Attributable to the equity shareholders of the parent - basic	**(0.62p)**	(0.5p)

Consolidated statement of comprehensive income

Year ended 31 December 2015

	2015	2014
	£000	£000
Loss for the year	**(1,261)**	(870)
Items which may be re-classified to statement of profit or loss		
Currency translation differences arising on translations of foreign operations that may be reclassified to the profit or loss	**(8)**	121
Total comprehensive loss	**(1,269)**	(749)
Total comprehensive loss for the year attributable to:		
Owners of the parent	**(1,210)**	(703)
Non-controlling interest	**(59)**	(46)
	(1,269)	(749)

Consolidated statement of financial position
Year ended 31 December 2015

	Notes	**Year ended 31 December 2015 £'000**	Year ended 31 December 2014 £'000
Assets			
Non-current			
Intangible assets	5	2,070	2,801
Property, plant and equipment		14	26
Other non-current assets		145	152
Restricted cash		3	6
Non-current assets		2,232	2,985
Current			
Other receivable		15	32
Cash and equivalents		307	704
		322	736
Total assets		**2,554**	**3,721**
Liabilities			
Non-current			
Borrowings		2,873	2,773
Other Liabilities		-	5
Non-current liabilities		2,873	2,778
Current			
Trade and other payables		1,376	1,319
Borrowings		551	592
Current liabilities		1,927	1,911
Total liabilities		**4,800**	**4,689**
Net liabilities		**(2,246)**	**(968)**
Equity			
Equity attributable to owners of the parent			
Ordinary share capital		1,748	1,748
Deferred share capital		6,168	6,168
Share premium account		37,414	37,414
Merger reserve		(41,682)	(41,682)
Share based payment reserve		1,105	1,105
Other reserve		912	921
Retained earnings		(7,792)	(6,691)
Currency translation reserve		52	161
		(2,075)	(856)
Non-controlling interest		(171)	(112)
Total equity		**(2,246)**	**(968)**

Consolidated statement of changes in equity
Year ended 31 December 2015

	Ordinary Share capital £'000	Deferred Share capital £'000	Share premium £'000	Merger reserve £'000	Share based payment reserve £'000	Other reserve £'000	Accumulated losses £'000	Translation reserve £'000	Attributed to owners of the parent £'000	Non - controlling Interest £'000	Total £'000
At 1 January 2014	1.520	6,168	35,693	(41,682)	1,105	702	(5,873)	46	(2,321)	(66)	(2,387)
Loss for the year	-		-		-	-	(818)		(818)	(52)	(870)
Currency translation differences arising on translation of foreign operations	-		-		-	-	-	115	115	6	121
Total comprehensive loss	-		-		-	-	(818)	115	(703)	(46)	(749)
Shares issued in the year	228		1,824						2,052		2,052
Share issue expenses			(103)						(103)		(103)
Modification of loans received						219			219		219
At 31 December 2014 & 1 January 2015	1,748	6,168	37,414	(41,682)	1,105	921	(6,691)	161	(856)	(112)	(968)
Loss for the year							(1,101)		(1,101)	(160)	(1,261)
Currency translation differences arising on translation of foreign operations								(109)	(109)	101	(8)
Total comprehensive loss	-	-	- -		-	-	(1,101)	(109)	(1,210)	(59)	(1,269)
Contribution to related party						(9)			(9)		(9)
At 31 December 2015	1,748	6,168	37,414	(41,682)	1,105	912	(7,792)	52	(2,075)	(171)	(2,246)

Ordinary share capital: Amount subscribed for share capital at nominal value.
Deferred shares: The shares carry no right to receive income distributions or entitle the shareholders to attend or vote at company meetings.
Share premium: Amount subscribed for share capital in excess of nominal value.
Merger reserve: Represents the amount arising on the acquisition of KRMC.
Share based payment reserve: This relates to the adjustment required under IFRS 2 to account for the reverse takeover.

Other reserve: The premium between the effective interest rate and coupon rate on the loan issued by a related party. This is credited to equity and subsequently released to the profit or loss over the remaining life of the financial liability.
Accumulated losses: Cumulative losses recognized in the consolidated statement of comprehensive income.
Translation reserve: Gains/losses arising on retranslating the net assets of overseas operations into sterling.

Consolidated statement of cashflows
Year ended 31 December 2015

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Net cash outflow from operating activities	(339)	(740)
Investing activities		
Additions to intangible assets	-	(947)
Additions to property, plant and equipment	-	(4)
Net cash used in investing activities	-	(951)
Financing activities		
Proceeds from borrowings	-	949
Repayment of borrowings	(58)	(514)
Proceeds on issue of shares	-	2,052
Expenses on issue of shares	-	(103)
Net cash inflow from financing activities	(58)	2,384
(Decrease)/increase in cash and cash equivalents	(397)	693
Cash and cash equivalents at the beginning of period	704	11
Cash and cash equivalents at the end of period	307	704

Notes

1. General Information

The Group's principal activity is that of mining, exploration and mine development. The parent company principal activity is managing the trade and the investment of its subsidiary company. It is incorporated in England and Wales and has its registered office and business address at 28 Eccleston Square, London SW1V 1NZ. The shares of Kemin Resources Plc are quoted on the AIM market which is operated by the London Stock Exchange.

The financial information set out above for the years ended 31 December 2015 and 31 December 2014 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those accounts. Whilst the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards ("IFRS") (as adopted by the European Union), this announcement itself does not contain sufficient financial information to comply with IFRS. A copy of the statutory accounts for 2014 has been delivered to the Registrar of Companies and those for 2015 will be submitted for approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2015 and 31 December 2014 do comply with IFRS.

2. Basis of preparation

The Group's consolidated financial statements are for the year ended 31 December 2015. They have been prepared in accordance with the accounting policies set out below.

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The parent company has taken advantage of the exemption under section 408 (3) of the Companies Act 2006 and has not presented its Statement of profit or loss in these Financial Statements. The Parent Company's year ended 31 December 2015 is £233,000 (2014: £318,000).

The consolidated financial statements have been prepared under the historical cost basis. They are presented in Pounds sterling and are rounded to the nearest thousand (£'000) except where otherwise noted.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Groups accounting policies.

3. Auditors opinion

The auditor has issued an unqualified opinion in respect of the financial statements, which does not contain any statements under the Companies Act 2006, Section 498(2) or Section 498(3).

4. Going concern

As at 31 December 2015, the Group had cash on hand of £307,000 and at the reporting date the Company's liabilities exceeded its assets by £2,246,000.

The parent Company has an agreement with Amrita Investment Limited (the "Lender"), a company incorporated in the British Virgin Islands and ultimately controlled by the Assaubayev family, for the provision of an unsecured £7,000,000 loan facility to be applied towards working capital requirements. At present there is still a facility of approximately £4.6m available under this facility.

The loan bears an interest rate of LIBOR +5%. The loan is repayable on the earlier of the fifth anniversary of the agreement or in the date fundraising completed date in respect of any equity fundraising ,raising at least £5,000,000 (before expenses) at which point the Lender may choose to convert the loan in the ordinary shares of the Company at the conversion rates stipulated by the agreement.

The Directors anticipate that while they may seek to raise further finance in the future it now has access to sufficient funds for its immediate need, and have therefore prepared these financial statements on a going concern basis.

5. Intangible Assets

Exploration & evaluation assets	**Contract No 1605 £'000**	**Contract No 1606 £'000**	**Total £'000**
Cost			
At 1 January 2014	405	1,580	1,985
Additions	348	599	947
Exchange difference	(19)	(112)	(131)
At 31 December 2014 & 1 January 2015	734	2,067	2,801
Additions	291	446	737
Exchange difference	(481)	(987)	(1,468)
At 31 December 2015	544	1,526	2,070

Exploration and evaluation assets relate to the capitalised licence costs and subsequent exploration, expenditure incurred in respect of the Smirnovskoe deposit (licence No 1605) and the Drozhilovskoye deposit (licence No 1606 awarded to KRMC in December 2004 for the exploration and production of tungsten, Molybdenum and copper at the Smirnovskoe and the Drozhilovskoye deposit respectively.

Licence No. 1605: The exploration subsoil contract has expired in September 2015. All necessary documentation has been submitted to the relevant Ministry for extension of the contract until March 2018. The extension for contract is expected to be signed in H2 2016 or H1 2017.

Licence No. 1606: The exploration subsoil contract has expired in May 2016. The Group has applied for the extension of the exploration contract. According to the underlying contract the Group has a legal right to extend

Both deposits are located in Kostanay region of Kazakhstan.

6. Events after the reporting date

In April 2015 the Company applied to the Ministry for Investment and Development in Kazakhstan for an extension of the exploration period for the contract №1605 until the end of 2018. The decision in relation to the award of the extension for contract is expected in H2 2016. It also applied to the same department in relation to contract, No 1606 in March 2016. This contract expired during May 2016, and an application to extend the licence to 2021 is currently pending with a decision also expected in H2 2016.