



# 3LEGS RESOURCES PLC

Interim Report  
for the six months to 30 June 2015

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**Interim Results**  
for the six months ended 30 June 2015

3Legs Resources plc (the “**Company**” and, together with its subsidiary, the “**Group**”), an investing company under Rule 15 of the AIM Rules, is pleased to announce its Interim Results for the six months ended 30 June 2015.

**Highlights**

- Strategy refocused to become life sciences related investing company
- Equity funding of £1.3m secured during the period
- Jim Mellon and Dr Greg Bailey contribute £500,000 to this refinancing and join Board
- Investment in SalvaRx which owns 60.5% of iOx, a cancer immunotherapy developer

**Chairman’s Statement**

The major developments in the first six months of the current financial year were highlighted in my Chairman’s statement in the 2014 annual report and accounts. As many shareholders will be aware, in the latter part of 2014 the then Board of the Company concluded that it could not justify further investment in its oil and gas exploration business in view of disappointing results and, accordingly, it decided to dispose of the Company’s assets and return its significant cash balances to shareholders, net of wind up costs. It was the intention that this would be followed by an orderly liquidation of the Company.

Subsequently, shareholders approved revised proposals which incorporated the return of the Company’s cash to them and also approved a placing of £0.8 million from a group of new investors as an alternative to liquidation. As part of these arrangements Colin Weinberg and I joined the Board. Shareholders also voted to adopt a new Investing Policy, namely to invest in and/or acquire companies within the technology sector or within the resources sector. This enabled existing shareholders to have a continuing interest in an AIM investing company.

In early June, Jim Mellon and Dr Greg Bailey together subscribed £500,000 for shares in the Company, representing 29.9% of the enlarged share capital, and joined the Board. Jim and Greg have a successful track record in identifying investments in life sciences and related sectors, and at the Annual General Meeting in July, shareholders approved a further change in the Company’s Investing Policy to focus on investments in these areas in order to enable the Company to take advantage of their expertise and contacts.

The final payment to shareholders as part of the restructuring of the Company was approved at an Extraordinary General Meeting held on 13 February 2015, and two-thirds of the loss of £248,000 reported for the period under review relates to the costs of winding up the former business, and were covered by the cash resources held by the Company before the balance was returned to shareholders. The current Board is mindful of the need to control costs and shareholders should

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note that over £29,000 of the loss of £82,000 reported for the continuing business is due to the accounting treatment with regard to share options and does not reflect any diminution of the Company's cash.

Under the AIM Rules, as an investing company, the Company has until 3 November 2015 to implement its investing policy or complete a reverse takeover, failing which its shares will be suspended from trading on AIM.

The Company has today announced that it has invested the sum of £215,000 to acquire 11.1% of SalvaRx Limited, a company owned by Jim Mellon and Dr Greg Bailey, which owns 60.5% of iOx Therapeutics Limited ("iOx"), a new company which is developing a series of compounds for cancer immunology. iOx's technology is based on a discovery by Professor Vincenzo Cerundolo MD, PhD, the Director of the Human Immunology Unit at the Weatherall Institute of Molecular Medicine at Oxford University and supported by the Ludwig Institute for Cancer Research. Its compounds stimulate invariant natural killer T cells, and preclinical testing in several cancer models suggest the compounds can inhibit the growth of tumours. SalvaRx has a strong management team with considerable experience in the field of cancer immunology and its strategy is to identify, develop and finance novel therapeutics that stimulate the immune system to fight cancer.

The Board believes that this investment represents an exciting development and is a first step in implementing the Company's new investing policy. The Company hopes to take further steps with regard to the implementation of this policy in the near future.

**3LEGS RESOURCES PLC**  
**Consolidated Income Statement**  
**For the six months ended 30 June 2015**

	Note	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Audited year ended 31 December 2014 £'000
<b>Continuing operations</b>				
Administrative expenses		(83)	-	-
<b>Operating loss</b>		(83)	-	-
Investment income		1	-	-
<b>Loss before tax from continuing operations</b>		(82)	-	-
Tax		-	-	-
<b>Loss for the period from continuing operations</b>		(82)	-	-
<b>Discontinued operations</b>				
Loss for the period from discontinued operations	4	(166)	(2,481)	(35,024)
<b>Loss for the period</b>		(248)	(2,481)	(35,024)
<b>Loss per ordinary share</b>				
<b>From continuing operations</b>				
Basic and diluted	5	(0.0002p)	-	-
<b>From discontinued operations</b>				
Basic and diluted	5	(0.0005p)	(0.03p)	(0.41p)
<b>From continuing and discontinued operations</b>				
Basic and diluted	5	(0.0007p)	(0.03p)	(0.41p)

**3LEGS RESOURCES PLC**  
**Consolidated Statement of Comprehensive Income**  
**For the six months ended 30 June 2015**

	<b>Unaudited six months ended 30 June 2015 £'000</b>	<b>Unaudited six months ended 30 June 2014 £'000</b>	<b>Audited year ended 31 December 2014 £'000</b>
<b>Loss for the period</b>	(248)	(2,481)	(35,024)
<b>Other comprehensive income</b>			
Exchange differences arising on translation of foreign operations	-	(158)	329
<b>Total comprehensive income for the period attributable to equity owners of the parent</b>	<u>(248)</u>	<u>(2,639)</u>	<u>(34,695)</u>

**3LEGS RESOURCES PLC**  
**Consolidated Balance Sheet**  
**As at 30 June 2015**

	Note	Unaudited 30 June 2015 £'000	Unaudited 30 June 2014 £'000	Audited 31 December 2014 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible exploration and evaluation assets		-	2,351	-
Investment accounted for using the equity method		-	29,826	-
		<u>-</u>	<u>32,177</u>	<u>-</u>
<b>Current assets</b>				
Trade and other receivables		29	271	95
Cash and cash equivalents		1,183	17,867	1,341
		<u>1,212</u>	<u>18,138</u>	<u>1,436</u>
<b>Total assets</b>		<u><u>1,212</u></u>	<u><u>50,315</u></u>	<u><u>1,436</u></u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(67)	(274)	(144)
Provisions		-	(25)	-
		<u>(67)</u>	<u>(299)</u>	<u>(144)</u>
<b>Total liabilities</b>		<u><u>(67)</u></u>	<u><u>(299)</u></u>	<u><u>(144)</u></u>
<b>Net assets</b>		<u><u>1,145</u></u>	<u><u>50,016</u></u>	<u><u>1,292</u></u>
<b>Equity</b>				
Share capital	6	155	21	22
Share premium account		52,533	68,368	52,594
Share-based payment reserves		29	959	-
Accumulated deficit		(51,572)	(18,843)	(51,324)
Cumulative translation reserves		-	(489)	-
		<u>1,145</u>	<u>50,016</u>	<u>1,292</u>
<b>Total equity</b>		<u><u>1,145</u></u>	<u><u>50,016</u></u>	<u><u>1,292</u></u>

**3LEGS RESOURCES PLC**  
**Consolidated Cash Flow Statement**  
**For the six months ended 30 June 2015**

	Note	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Audited year ended 31 December 2014 £'000
<b>Net cash outflow from operating activities</b>	7	(231)	(851)	(1,486)
<b>Investing activities</b>				
Interest received		1	42	58
Investment in joint venture		-	(7,831)	(8,235)
<b>Net cash from/(used in) investing activities</b>		1	(7,789)	(8,177)
<b>Financing activities</b>				
Issue of share capital		1,305	21	180
Transaction costs of issue of share capital		(88)	-	-
Return of cash to shareholders		(1,145)	-	(15,933)
<b>Net cash from/(used in) financing activities</b>		72	21	(15,753)
<b>Net decrease in cash and cash equivalents</b>		(158)	(8,619)	(25,416)
Effect of foreign exchange rate changes		-	(306)	(35)
<b>Cash and cash equivalents at beginning of period</b>		1,341	26,792	26,792
<b>Cash and cash equivalents at end of period</b>		1,183	17,867	1,341

**3LEGS RESOURCES PLC**  
**Consolidated Statement of Changes in Equity**  
**As at 30 June 2015**

	Share capital £'000	Share premium account £'000	Share-based payment reserves £'000	Accumulated deficit £'000	Cumulative translation reserves £'000	Total £'000
<b>As at 1 January 2014</b>	21	68,347	889	(16,362)	(331)	52,564
Transactions with owners in their capacity as owners:						
Issue of equity shares	-	21	-	-	-	21
<b>Total transactions with owners in their capacity as owners</b>	-	21	-	-	-	21
Loss for the period	-	-	-	(2,481)	-	(2,481)
Other comprehensive income:						
Currency translation differences	-	-	-	-	(158)	(158)
<b>Total comprehensive income for the period</b>	-	-	-	(2,481)	(158)	(2,639)
Share-based payments	-	-	70	-	-	70
<b>As at 30 June 2014</b>	21	68,368	959	(18,843)	(489)	50,016
<b>As at 1 January 2014</b>	21	68,347	889	(16,362)	(331)	52,564
Transactions with owners in their capacity as owners:						
Issue of equity shares	1	180	-	-	-	181
Return of cash to shareholders	-	(15,933)	-	-	-	(15,933)
<b>Total transactions with owners in their capacity as owners</b>	1	(15,753)	-	-	-	(15,752)
Loss for the year	-	-	-	(35,024)	-	(35,024)
Other comprehensive income:						
Currency translation differences	-	-	-	(2)	331	329
<b>Total comprehensive income for the year</b>	-	-	-	(35,026)	331	(34,695)
Share-based payments	-	-	(825)	-	-	(825)
Transfer to retained earnings in respect of exercised share options	-	-	(64)	64	-	-
<b>As at 31 December 2014</b>	22	52,594	-	(51,324)	-	1,292
<b>As at 1 January 2015</b>	22	52,594	-	(51,324)	-	1,292
Transactions with owners in their capacity as owners:						
Issue of equity shares	133	1,084	-	-	-	1,217
Return of cash to shareholders	-	(1,145)	-	-	-	(1,145)
<b>Total transactions with owners in their capacity as owners</b>	133	(61)	-	-	-	72
Loss for the period	-	-	-	(248)	-	(248)
<b>Total comprehensive income for the period</b>	-	-	-	(248)	-	(248)
Share-based payments	-	-	29	-	-	29
<b>As at 30 June 2015</b>	155	52,533	29	(51,572)	-	1,145



**3LEGS RESOURCES PLC**  
**Notes to the Interim Financial Statements**  
**For the six months ended 30 June 2015**

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**1 General information**

3Legs Resources plc (the 'Company') is incorporated in the Isle of Man, British Isles under the Isle of Man Companies Act 2006. The address of the registered office is Commerce House, 1 Bowring Road, Ramsey, Isle of Man, British Isles, IM8 2LQ.

3Legs Resources plc is an investing company under Rule 15 of the AIM Rules. The principal activity of the Group in during 2014 and prior was the exploration, evaluation and development of oil and gas targets.

**2 Basis of preparation**

The consolidated interim financial information has been prepared using policies based on International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board (the 'IASB') and as adopted by the European Union (the 'EU'). These policies and practices are consistent with those adopted in the Group's financial statements for the year ended 31 December 2014 and are also consistent with those which will be adopted in the Group's financial statements for the year ended 31 December 2015.

The consolidated interim financial information is unaudited and does not constitute statutory accounts as defined by section 434 of the Companies Act 2006, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2014. In the opinion of the Directors the consolidated interim financial information for the period represents fairly the financial position, results from operation and cash flows for the period in conformity with generally accepted accounting principles consistently applied.

The consolidated interim financial information incorporates unaudited comparative information for the period ended 30 June 2014, which has been represented in respect of the consolidated income statement to improve the clarity of information presented therein. Comparative figures for the financial year ended 2014 have been extracted from the financial statements for that period which carried an unqualified audit report.

The consolidated interim financial information has been prepared in accordance with IAS34 *Interim Financial Reporting*.

During the first six months of the current financial year there have been no related party transactions that materially affect the financial position or performance of the Group and there have been no changes in the related party transactions described in the last annual financial statements.

The principal risks and uncertainties of the Group have not changed since the last annual financial statements where a detailed explanation of such risks and uncertainties can be found.

**3 Dividends**

The Directors do not recommend the payment of a dividend for the period.

**4 Discontinued operations**

The Group announced in September 2014 that it was to cease all of its then operations. The prior activities of exploration and development of oil and gas targets and related costs have been classified as discontinued operations in accordance with IFRS 5. At June 2014 the operations were

**3LEGS RESOURCES PLC**  
**Notes to the Interim Financial Statements**  
**For the six months ended 30 June 2015**

not classified as held-for-sale or as a discontinued operation. The comparative consolidated Income Statement been restated to show the discontinued operation separately.

The results of the discontinued operations up until the period end, which have been disclosed separately in the consolidated income statement are as follows:

<b>Results of discontinued operations</b>	<b>Unaudited six months ended 30 June 2015 £'000</b>	<b>Unaudited six months ended 30 June 2014 £'000</b>	<b>Audited year ended 31 December 2014 £'000</b>
Administrative expenses	(143)	(663)	(1,854)
Foreign exchange gains/(losses)	(26)	(1,214)	54
Non-capitalised exploration and evaluation expense	-	(165)	825
<b>Loss from discontinued operations</b>	<b>(169)</b>	<b>(2,042)</b>	<b>(975)</b>
Share of results of joint venture	-	(481)	(481)
Investment income	3	42	58
Loss on disposal of subsidiaries and joint venture			(33,626)
<b>Loss before tax from discontinued operations</b>	<b>(166)</b>	<b>(2,481)</b>	<b>(35,024)</b>
Tax	-	-	-
<b>Loss for the period from discontinued operations</b>	<b>(166)</b>	<b>(2,481)</b>	<b>(35,024)</b>

As all relating assets and liabilities and the final cash distribution were settled prior to 30 June 2015, the assets and liabilities of the prior operations are no longer included in the Balance Sheet.

## **5 Loss per Ordinary Share**

Basic loss per Ordinary Share from continuing operations is calculated by dividing the net loss for the period attributable to Ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the period. The weighted average number of Ordinary Shares outstanding during the period and for the prior periods presented has been adjusted in accordance with IAS 33 *Earnings per share*.

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The calculation of the basic and diluted loss per share is based on the following data:

	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Audited year ended 31 December 2014 £'000
<b>Loss</b>			
Loss for the purposes of basic loss per share from continuing operations being net loss attributable to equity holders of the parent	(82)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Unaudited six months ended 30 June 2015 £'000</b>	<b>Unaudited six months ended 30 June 2014 £'000</b>	<b>Audited year ended 31 December 2014 £'000</b>
<b>Loss</b>			
Loss for the purposes of basic loss per share from continuing and discontinued operations being net loss attributable to equity holders of the parent	(248)	(2,481)	(35,024)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Number of shares</b>			
Weighted average number of Ordinary Shares for the purposes of basic profit/(loss) per share	363,784,049	84,912,707	85,156,833
Effect of dilutive potential Ordinary Shares:			
Share options	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	363,784,049	84,912,707	85,156,833
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Loss per Ordinary Share</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>From continuing operations</b>			
Basic and diluted	(0.0002p)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>From discontinued operations</b>			
Basic and diluted	(0.0005p)	(0.03p)	(0.41p)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>From continuing and discontinued operations</b>			
Basic and diluted	(0.0007p)	(0.03p)	(0.41p)
	<u>          </u>	<u>          </u>	<u>          </u>

The weighted average number of shares for the purpose of calculating the basic and diluted measures is the same. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and therefore would be anti-dilutive.

**3LEGS RESOURCES PLC**  
**Notes to the Interim Financial Statements**  
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**6 Share capital**

*Authorised and issued equity share capital*

	Unaudited 30 June 2015		Unaudited 30 June 2014		Audited 31 December 2014	
	Number '000	£'000	Number '000	£'000	Number '000	£'000
<b>Authorised</b>						
Ordinary Shares of £0.00025 each	1,040,000	260	440,000	110	440,000	110
<b>Issued and fully paid</b>						
Ordinary Shares of £0.00025 each	618,493	155	84,938	21	86,127	22

The Company has one class of Ordinary Shares which carry no right to fixed income.

**7 Notes to the cash flow statement**

	Unaudited six months ended 30 June 2015 £	Unaudited six months ended 30 June 2014 £	Audited year ended 31 December 2014 £
<b>Operating activities</b>			
Loss before tax from continuing operations	(82)	-	-
Loss before tax from discontinued operations	(166)	(2,481)	(35,024)
<b>Profit/(loss) before tax</b>	(248)	(2,481)	(35,024)
Adjustments for:			
Investment income	(1)	(42)	(58)
Share-based payments	29	70	(825)
Share of results of joint venture	-	481	481
Disposal of subsidiaries and joint venture	-	-	33,626
Effect of foreign exchange rate changes	-	1,193	366
Reversal of provision for decommissioning	-	-	(25)
<b>Operating cash flows before movements in working capital</b>	(220)	(779)	(1,459)
Decrease in receivables	65	52	228
Decrease in payables	(76)	(124)	(255)
<b>Cash used in operations</b>	(231)	(851)	(1,486)
Taxation paid	-	-	-
<b>Net cash outflow from operating activities</b>	(231)	(851)	(1,486)

**3LEGS RESOURCES PLC**  
**Notes to the Interim Financial Statements**  
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**8 Events after the balance sheet date**

On 30 September the Company announced it had invested the sum of £215,000 to acquire 11.1% of SalvaRx Limited, which owns 60.5% of iOx Therapeutics Limited, a new company which is developing a series of compounds for cancer immunology.