

Robust gold recovery operations

Mining

14 January 2013

Goldplat, the African-based gold producer, has announced a trading statement for its H1 13 results for the six months to 31 December 2012. The operating profits for the first half are expected to be around £2m, largely in line with H112. This is on the back of continuing robust operations at GRL and GRG, the gold recovery units based in South Africa and Ghana respectively. The Kilimapesa gold mine in Kenya has suffered operational losses in the first half, but is expected to break even by year end with production of c 1,000oz. This setback will see full production at Kilimapesa pushed back to FY15.

Price	11.6p
Market cap	£20m
	ZAR8.35/US\$1; £1/US\$1.60
Shares in issue	167.9m
Free float	61%
Code	GDP
Primary exchange	AIM
Other exchanges	N/A

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
06/11	19.6	3.1	1.63	0.0	7.1	N/A
06/12	26.2	5.4	1.81	0.0	6.4	N/A
06/13e	N/A	N/A	N/A	N/A	N/A	N/A

Note: *PBT and EPS are normalised, excluding intangible amortisation and exceptional items.

GRL, the South African recovery unit subsidiary of Goldplat, is expected to record PBT of c £2.5m for FY13, mainly due to the additional gold recovery circuits added to the plant in FY12. GRG, the Ghanaian gold recovery subsidiary, is expected to record PBT of c £2.3m. These two businesses continue to underpin the Goldplat share price.

Operational losses have occurred at the Kilimapesa gold mine in the first half of this year, related to increasing unit costs with the initial ramp up to full production.

Management aims to have this rectified in H213, with the subsidiary expected to break even for FY13. Management continue to assess the Kenyan government equity partner legislation with further detail to be outlined in the coming months.

Management notes that the gold recovery operations are expected to cover the losses at Kilimapesa for FY13 and results should be comparable to FY12. We expect to elaborate further on the trading update in our Outlook note in late-January or early-February 2013, and for the moment our FY13 estimates remain under review.

Share price performance



Business description

Goldplat is using its gold recovery operations in Ghana and South Africa to become a mid-tier producer by acquiring mining assets in Kenya and Burkina Faso.

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