Goldplat plc / Ticker: GDP / Index: AIM / Sector: Mining & Exploration

26 February 2018

Goldplat plc ('Goldplat' or 'the Company')
Interim results for the six months ended 31 December 2017

Goldplat plc, the AIM listed gold producer, with international gold recovery operations located in South Africa and Ghana and a gold mine in Kenya, announces its interim results for the six months ended 31 December 2017.

Overview

- The Group reports an operating profit for the six-month period of £1,578,000 (six months ended 31 December 2016: £1,009,000). Goldplat Recovery (Pty) Ltd ('GPL') performed exceptionally well, Kilimapesa Gold ('KPG') showed major improvements (despite production stoppages during the election period) and reduced substantial historical losses to near break-even, whilst Gold Recovery Ghana ('GRG'), which performed exceptionally well during the six months ended 31 December 2016, reported lower profits in-line with forecast, not having the benefit during this period of the large clean-up performed for a major producer during 2016.

- Exchange rate fluctuations, especially on intercompany loans and receivables, resulted in unrealised foreign exchange losses impacting on profit before tax, reported at £832,000 for the period under review (six months ended 31 December 2016: profit of £1,354,000).

- GPL and KPG increased production of gold and gold equivalents for the period, whilst GRG reported lower ounces produced during the period under review, in-line with forecast, not having the windfall of the clean-up during the 31 December 2016 period.

- The production of gold and gold equivalents for the six months' period under review of 20,246 ounces (six months ended 31 December 2016: 21,317 ounces) compares favourably with the year forecast.

- The Group has maintained a healthy cash reserve of £918,000 (31 December 2016: £835,000) notwithstanding the repayment of interest bearing borrowings of £505,000 and GPL investing £800,000 in precious metals raw materials stockpiles.
- Capital expenditure of £1,009,000 for the period was primarily spent on the expansion of operations at GRG by way of the installation of an elution plant, with capital expenditure in South Africa and Kenya substantially completed for the foreseeable future.

- The elution plant in Ghana is in the commissioning stage and commercial production is imminent.

- GPL and Rand Refinery have reached full and final settlement in the dispute between the two companies, paving the way for the revival of the long relationship with Rand Refinery which we trust will continue for the benefit of both parties.

Chairman's Statement

I am delighted to report that Goldplat continues to deliver into its stated strategic objectives at its various operating subsidiaries. Our portfolio of core assets consists of two gold recovery operations in South Africa and Ghana, which recover gold from by-products of the mining process providing mines with an environmentally friendly and cost-efficient way of removing waste material, and the Kilimapesa Gold Mine in Kenya. Having built a strong gold production profile, our focus is now to greatly increase output and profitability, leveraging our established African operations to support clients globally.

Key issues and initiatives during the period under review have been the resolution of the dispute between GPL and Rand Refinery; securing of feed material at GPL for the carbon-in-leach ('CIL') circuits; the installation of an elution plant at GRG; completion of Plant 2 construction, commissioning and achievement of sustainable production and profitability at KPG; and continued focus on sourcing of material from new locations, including the broader African continent and South America.

Revenues of £18,270,000 for the period represent a 27% increase on last year (6 months ended 31 December 2016: £14,415,000), in line with increased gold production and sales for the period. In line with this, I am pleased to report that operating profit increased by 56% to £1,578,000 (6 months ended 31 December 2015: profit of £1,009,000). Profit before tax of £832,000 for the six months ended 31 December 2017 decreased 39% (6 months ended 31 December 2016: profit of £1,354,000) having been negatively impacted upon by exchange rate fluctuations and consequent finance costs.

The net finance expense from continued operations of £746,000 includes a £438,000 unrealised foreign exchange loss on inter-company loans and receivables as well as £68,000 interest paid on the Scipion loan and £143,000 paid on pre-financing of receivables. Trade receivables include a provision for bad debt of £481,000 relating to the Rand Refinery dispute, of which £149,000 was accounted for in the previous years.

Cash and cash equivalents at the end of the period stood at £918,000 (compared to £835,000 at the end of December 2016 and £2,650,000 at end of FY 2017). The decrease from year-end FY 2017 can be primarily attributed to the acquisition, for cash, of a strategic stockpile of material for GRG as well as the ongoing repayment of the Scipion Loan (£505,000 during the period).

With regard to group production and sales, overall gold and gold equivalent production for the six-month period ended 31 December 2017 was 20,246 ounces (compared to 21,317 ounces produced in the period ended 31 December 2016 and 42,857 ounces produced in FY 2017). Total gold and gold equivalent sold and transferred for the period was 21,783 ounces (compared to 16,653 ounces in the period ended 31 December 2016 and 40,285 ounces in FY 2017). The difference between the gold and gold equivalent produced and the total gold and gold equivalent sold and transferred during the six months ended 31 December 2017 is primarily a result of the roughly 1,000 ounces of gold produced at GRG during FY 2017 being sold early in the period to 31 December 2017. The following table summarises gold production, transfers and sales for the period per operation:

Goldplat Plc Consolidated	**6 months**	**6 months**	**6 months**	**6 months**	**Year ending**	**Year ending**
	December 2017	**December 2017**	**December 2016**	**December 2016**	**June 2017**	**June 2017**
	Equivalent Gold	**Equivalent Gold**	**Equivalent Gold**	**Equivalent Gold**	**Equivalent Gold**	**Equivalent Gold**
	kg	**oz**	**kg**	**Oz**	**kg**	**Oz**

Gold Equivalent Production						
Goldplat Recovery	434	13,968	390	12,539	915	29,418
Gold Recovery Ghana	112	3,597	236	7,588	312	10,031
Kilimapesa Gold	83	2,681	37	1,190	106	3,408
Total	**629**	**20,246**	**663**	**21,317**	**1,333**	**42,857**
Gold Equivalent Sold						
Goldplat Recovery	355	11,420	306	9,838	702	22,570
Gold Recovery Ghana	146	4,693	76	2,443	259	8,327
Kilimapesa Gold	85	2,720	34	1,093	100	3,215
Total	**586**	**18,833**	**416**	**13,374**	**1,061**	**34,112**
Gold Equivalent Transferred						
Goldplat Recovery	92	2,950	102	3,279	192	6,173
Total	**92**	**2,950**	**102**	**3,279**	**192**	**6,173**
Gold Equivalent Sold and Transferred						
Goldplat Recovery	447	14,370	408	13,117	894	28,743
Gold Recovery Ghana	146	4,693	76	2,443	259	8,327
Kilimapesa Gold	85	2,720	34	1,093	100	3,215
Total	**678**	**21,783**	**518**	**16,653**	**1,253**	**40,285**

Goldplat Recovery (Pty) Ltd ('GPL'), South Africa

Key initiatives for the period at GPL:

- Sourcing of sufficient quantity of the right quality material, and specifically securing material for the carbon in leach ('CIL') circuits
- Resolution of the Rand Refinery dispute
- Progressing plans for the processing of the stock dam and selection of a site for subsequent final tailings deposition

Production of 13,968 ounces of gold and gold equivalents for the six-month period ended 31 December 2017 was up when compared to the 12,539 ounces of gold and gold equivalents for the six months ended December 2016.

During the period, terms of a settlement of the dispute between GPL and Rand Refinery were agreed and a Memorandum of Understanding ('MOU') was signed by the two parties early in January 2018 (see announcement of 12 January 2018). The MOU contained terms agreed to for inclusion in a Settlement Agreement, including agreement on an undisclosed amount to be paid by Rand Refinery to GPL in full and final settlement of the dispute. The Settlement agreement was also signed by the two parties on 22 February 2018 (see announcement of 22 February 2018). The finalisation of this represents a significant achievement, freeing up valuable management time to focus on the core operations of our business.

A large stockpile of raw material was purchased during the period to secure production through the CIL circuits. Metallurgical test work to optimise recoveries from this stockpile is ongoing. The gold content of our current raw material at the end of the period is estimated to exceed 1,000 kg (in excess of 32,000 oz) of gold for the first time since 2013, highlighting the focus and energy the sourcing team has put into finding the right materials for the operation.

Progress in securing the West 3 Pit for final tailings deposition (which will allow re-processing of the stock dam to begin) has been slow during the period with the Department of Mineral Resources and the current owners of the pit working on legal requirements for reclassification of the status of the pit. Whilst this process is outside of GPL's control, Goldplat continues to engage with both parties. GPL is also investigating alternative options for final tailings deposition. During the latter part of the period, GPL started the refurbishment and configuration of its flotation circuit to allow the pilot plant test work programme for the Tailings Storage Facility material to commence – first results are expected in Q3 FY 2018.

Gold Recovery Ghana ('GRG'), Ghana

Key initiatives during the period at GRG:

- Installation and commissioning of the new elution plant and ancillary infrastructure
- Tailings retreatment project in conjunction with the government
- Continued diversification of sourcing material from outside of Ghana

Production for the six months to 31 December 2017 was 3,597 ounces of gold and gold equivalents (compared to a total of 7,588 ounces produced for the six months to 31 December 2016 and 10,031 ounces produced during FY 2017). The reduction in production is largely a result of a large-one off contract last year greatly increasing production for the comparative period. Furthermore, despite the apparent decrease, production is in line with the year plan and the nature of the material being processed means that profitability is higher and financial results for GRG are therefore expected to remain in line with budget.

Whilst production targets for the year remain on track, our strategic focus continues to be on sourcing sufficient by-product material and increasing capacity if required to enable the increase in output to roughly 20,000 ounces of gold within 2-3 years. Commissioning of the elution plant began during the period as planned and is ongoing. Final completion of the ancillary infrastructure is expected by the end of February 2018 with the first gold pour and official opening of the plant planned for March 2018.

Good progress has been made during the period with sourcing of material from outside Ghana, including shipments from West Africa and elsewhere in Africa as well as South America. Regular and sustainable shipments are now being received from three different South American producers.

During the period the previously acquired second-hand Fluidised Bed Incinerator arrived in Tema. The unit is intended mainly for the treatment of lower grade materials being sourced from South America, and once installed is designed to increase incinerator throughput by circa 33%.

Alongside our efforts to increase market reach, we have also identified an opportunity to maximise the environmental value of our recovery services and are currently in talks with the Government of Ghana regarding a potential project to clean-up artisanal tailings in-country. In support of this, a pilot plant was delivered to Ghana during the period to test and reprocess artisanal material. The Government has subsequently decided to delay the project pending formalisation of a coordinated programme of the artisanal tailings clean-up and the simultaneous rehabilitation of land in the test area. A steering committee has been set up to manage these efforts and a GRG Board member is a member of this committee. We look forward to continuing to work with the Government to finalise plans for this potential work partnership.

Finally, looking at future growth plans, most of the material from the previous tailings storage facility on site has now been removed and the area has been levelled. This has freed up significant land for expansion and has also reduced potential environmental liabilities significantly. Before any future construction on this area is embarked upon, ground preparation work will need to completed.

Kilimapesa Gold ('KPG'), Kenya

Key initiatives during the period at KPG:

- Production from the Kilimapesa Hill Mine of sufficient quality and quantity to keep Plant 2 operating at capacity and profitably
- Mitigation of exposure to diesel and difficulties experienced in diesel supply

Production of 2,681 ounces of gold and gold equivalents for the six-month period ended 31 December 2017 was up when compared to the 1,190 ounces for the six months ended December 2015 and 3,408 ounces for FY 2017. The increase in production is a result of the successful build-up of production at Plant 2 as well as increased ore mined in the Kilimapesa underground mine. Despite the production increases, KPG had a slightly disappointing second quarter, mainly due to lost production as a result of disruption to diesel supplies (resulting from election-related political unrest) as well as problems relating to the importing of critical parts for the primary crusher. The crusher issue has subsequently been resolved.

A second diesel generator was installed at the new Plant 2, to provide additional power for the mill to increase the overall production throughput. Increased diesel storage capacity has been installed, an additional diesel supplier with more reliable delivery routes has been engaged, and steps are being put in place to begin the process of installing grid power to Plant 2 that will reduce the overall power generation cost significantly.

Furthermore, during the period permission was granted to export gravity concentrates quarterly (previously only authorised to export once per year), which should improve cashflow. A refurbished drier is being shipped from GPL to KPG to enable beneficiation of concentrates to be completed efficiently on-site without the need to export to South Africa.

National elections caused modest production disruptions during the period (with employees having to take time off to vote) and the ongoing protests and unrest associated with the elections continue to cause disruptions to diesel supply.

All agreements with land owners and the local community have been successfully renegotiated. In anticipation of the eventual closure of Plant 1, site preparation has begun for new accommodation closer to the mine and Plant 2.

A local Kenyan national has been appointed as plant manager at Plant 2, replacing the South African expatriate who has completed his time at KPG. In addition, local nationals have been employed in the administrative function, again to replace the previous South African expatriate.

KPG remains on track to achieve planned production of 5,800 oz of gold in FY 2018, despite the poor production in the second quarter.

Anumso Gold Project ('Anumso')

In September 2016 Goldplat executed an earn-in option agreement with Ashanti Gold Corp. ('Ashanti'), a TSX-Venture Exchange listed company, which gives Ashanti the option for a US$3 million earn-in to the Anumso Gold Project. On 16 January 2018 it was agreed to extend the Vesting Date of the Initial Option period by six months to 31 October 2018 (refer to announcement of the Modification of the option terms made on 16 January 2018 and the announcement of the Anumso Gold Project Earn-in Option Agreement made on 15 September 2016).

Whilst the Vesting Date has been extended, Ashanti continues to make good progress in advancing the project. During the period Ashanti announced metallurgical test work results, which demonstrated encouraging recoveries. The soil sampling on the project continues and extensive trenching is planned to begin in February 2018.

Post-Period End

Significant progress can be reported subsequent to 31 December 2017:

- The Settlement agreement between GPL and Rand Refinery was entered into on 22 February 2018.
- Mr Cyril Ramaphosa was elected as President of the Republic of South Africa following the resignation of Mr Jacob Zuma. This is seen as very positive for the country and President Ramaphosa has already agreed with the Chamber of Mines to postpone a High Court application to review the Mining Charter.
- Good progress continues regarding sourcing of material for GRG with a delayed shipment of by-product material on-route to GRG from an existing East African client and a very successful trip to Peru in February 2018 likely to yield a number of new clients.
- In Kenya the re-elected president has embarked upon a cabinet re-shuffle, including the appointment of a new Cabinet Secretary for the Ministry of Mining and Petroleum.

Outlook

Profits from operating activities continue to improve and to produce the cashflows to enable us to invest in positioning Goldplat's businesses for the future. We continue to place great emphasis on improving longer term visibility for our gold recovery operations by stockpiling materials for future processing and expanding our sources for such materials. The initiatives in South America and across the wider African gold-producing areas to source such materials are encouraging. We continue to deliver on our plans to develop operations at Kilimapesa to deliver meaningful profitability and whilst we might continue encounter issues beyond our control, the outlook is positive.

Matthew Robinson
Chairman

26 February 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHES ENDED 31 DECEMBER 2017

	Notes	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Continuing operations				
Revenue		18,270	14,415	31,650
Cost of sales		(15,117)	(12,293)	(26,454)
Gross profit		3,153	2,122	5,196
Administrative expenses		(1,575)	(1,113)	(2,286)
Results from operating activities		1,578	1,009	2,910
Finance income		174	614	22
Finance costs		(920)	(269)	(96)
Net finance (expense)/income		(746)	345	(74)
Profit before tax		832	1,354	2,836
Taxation	**6**	(359)	(401)	(860)
Profit for the period from continuing operations		473	953	1,976
Discontinued operations				
Loss for the period from discontinued operations	**7**	-	(20)	(1,012)
Profit for the period		473	933	964
Other comprehensive income				
Exchange translation		37	1,184	1,025
Other comprehensive income for the period, net of tax		37	1,184	1,025
Total comprehensive income for the period		510	2,117	1,989
Profit from continued operations attributable to:				
Owners of the Company		189	762	1,348
Non-controlling interests		284	191	628
Profit for the year		473	953	1,976
Profit from operations attributable to:				
Owners of the Company		189	742	336
Non-controlling interests		284	191	628
Income for the period		473	933	964
Total comprehensive income attributable to:				
Owners of the Company		226	1,926	1,361
Non-controlling interests		284	191	628
Total comprehensive income for the period		510	2,117	1,989
Earnings per share				
Basic earnings per share (pence)		0.11	0.44	0.20
Diluted earnings per share (pence)		0.11	0.43	0.19
Earnings per share – continuing operations				
Basic earnings per share (pence)		0.11	0.46	0.81
Diluted earnings per share (pence)		0.11	0.44	0.78

The notes below are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	31-Dec-17 (unaudited) £'000	31-Dec-16 (unaudited) £'000	30-Jun-17 (audited) £'000
Assets				
Property, plant and equipment	**8**	7,815	7,079	7,181
Intangible assets	**9**	8,512	9,825	8,707
Proceeds from sale of shares in subsidiary		1,306	1,480	1,424
Non-current cash deposit		-	194	201
Non-current assets		17,633	18,578	17,513
Inventories	**10**	8,918	11,719	8,962
Trade and other receivables	**11**	14,306	8,880	12,003
Cash and cash equivalents	**12**	1,183	885	2,650
Current assets		24,407	21,484	23,615
Total assets		42,040	40,062	41,128
Equity				
Share capital	**13**	1,675	1,675	1,675
Share premium		11,441	11,441	11,441
Exchange reserve		(5,156)	(5,034)	(5,193)
Retained earnings		11,494	11,711	11,305
Equity attributable to owners of the Company		19,454	19,793	19,228
Non-controlling interests		2,692	2,437	2,673
Total equity		22,146	22,230	21,901
Liabilities				
Obligations under finance leases	**14**	276	214	229
Provisions	**16**	453	445	446
Deferred tax liabilities		493	594	584
Non-current liabilities		1,222	1,253	1,259
Taxation		94	367	211
Interest bearing borrowings	**15**	667	-	1,172
Obligations under finance leases	**14**	157	186	154
Bank overdraft	**12**	265	50	-
Trade and other payables	**17**	17,489	15,976	16,431
Current liabilities		18,672	16,579	17,968
Total liabilities		19,894	17,832	19,227
Total equity and liabilities		42,040	40,062	41,128

The notes below are an integral part of this condensed consolidated interim financial report.

The financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 23 February 2018. They were signed on its behalf by:

Werner Klingenberg, Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Attributable to owners of the Company						
	Share capital £'000	**Share premium £'000**	**Exchange reserve £'000**	**Retained earnings £'000**	**Total £ '000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 1 July 2016, as previously reported	1,675	11,441	(6,218)	10,953	17,851	2,246	20,097
Total comprehensive income for the period							
Profit for the period	-	-	-	742	742	191	933
Total other comprehensive income	-	-	1,184	-	1,184	-	1,184
Total comprehensive income for the period	-	-	1,184	742	1,926	191	2,117
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Share based payment transactions	-	-	-	16	16	-	16
Total contributions by and distributions to owners of the Company	-	-	-	16	16	-	16
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 31 December 2016 (unaudited)	1,675	11,441	(5,034)	11,711	19,793	2,437	22,230

The notes below are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Attributable to owners of the Company						
	Share capital £'000	Share premium £'000	Exchange reserve £'000	Retained earnings £'000	Total £ '000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2017	1,675	11,441	(5,034)	11,711	19,793	2,437	22,230
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	(406)	(406)	437	31
Total other comprehensive income/(expense)	-	-	(159)	-	(159)	-	(159)
Total comprehensive income for the period	-	-	(159)	(406)	(565)	437	(128)
Transactions with owners of the Company recognised directly in equity							
Contributions by and distributions to owners of the Company							
Share based payment transactions	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(201)	(201)
Total transactions with owners of the Company	-	-	-	-	-	(201)	(201)
Balance at 30 June 2017 (audited)	1,675	11,441	(5,193)	11,305	19,228	2,673	21,901

The notes below are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Attributable to owners of the Company						
	Share capital £'000	Share premium £'000	Exchange reserve £'000	Retained earnings £'000	Total £ '000	Non-controlling interests £'000	Total equity £'000
Balance at 1 July 2017	1,675	11,441	(5,193)	11,305	19,228	2,673	21,901
Total comprehensive income for the period							
Profit for the period	-	-	-	189	189	284	473
Total other comprehensive income	-	-	37	-	37	-	37
Total comprehensive income for the period	-	-	37	189	226	284	510
Transactions with owners of the Company recognised directly in equity							
Contributions by and distributions to owners of the Company							
Share based payment transactions	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(265)	(265)
Total transactions with owners of the Company	-	-	-	-	-	(265)	(265)
Balance at 31 December 2017 (unaudited)	1,675	11,441	(5,156)	11,494	19,454	2,692	22,146

The notes below are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Notes	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Cash flows from operating activities				
Result from continued operating activities		1,578	1,009	2,910
Result from discontinued operating activities		-	(20)	(1,012)
Adjustments for:				
- Depreciation		437	327	650
- Amortisation		110	112	224
- Write off development cost		-	-	980
- Loss on sale of property, plant and equipment		8	8	4
- Equity-settled share-based payment transactions		-	16	16
- Foreign exchange differences		41	161	303
		2,174	1,613	4,075
Changes in:				
- inventories		44	(3,972)	(1,215)
- trade and other receivables		(2,303)	(2,625)	(5,748)
- trade and other payables		1,058	4,841	5,296
- provisions		-	62	-
Cash generated from/ (used in) operating activities		973	(81)	2,408
Finance income		174	614	22
Finance cost		(920)	(269)	(96)
Taxes paid		(476)	(138)	(805)
Net cash from/ (used in) operating activities		(249)	126	1,529
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		7	5	105
Enhancement of exploration and development asset		(17)	-	(157)
Acquisition of property, plant and equipment		(1,069)	(1,160)	(1,756)
Non-current cash deposit		194	(34)	(41)
Net cash used in investing activities		(885)	(1,189)	(1,849)
Cash flows from financing activities				
Proceeds from drawdown of interest bearing borrowings		-	-	1,538
Payment of interest bearing borrowings		(505)	(55)	(421)
Payment of finance lease liabilities		(93)	(103)	(203)
Net cash used in financing activities		(598)	(158)	914
Net increase/(decrease) in cash and cash equivalents		(1,732)	(1,221)	594
Cash and cash equivalents at beginning of period		2,650	2,056	2,056
Cash and cash equivalents at end of period	**12**	918	835	2,650

The notes below are an integral part of this condensed consolidated interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

1. General information

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2017 were approved by the Board of Directors and have been delivered to the Registrar of Companies. The audit report on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

(a) Statement of compliance

The annual financial statements of Goldplat plc (the 'Company') are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

(b) Going concern

The directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt a going concern basis in preparing the consolidated financial statements.

3. Significant accounting policies

The accounting policies applied in this condensed consolidated interim financial report are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2017.

4. Operating segments

Information about reportable segments

For the six months ended 31 December 2017 (unaudited)

	Recovery operations £'000	Mining and exploration £'000	Adminis-tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	15,629	2,641	-	-	18,270
Inter-segment revenues	1,692	-	-	(1,692)	-
Total revenues	17,321	2,641	-	(1,692)	18,270
Reportable segment profit/(loss) before tax	1,557	(81)	(666)	22	832
Segment assets	29,769	2,137	30,674	(20,540)	42,040
Segment liabilities	19,137	3,217	5,005	(7,465)	19,894

For the six months ended 31 December 2016 (unaudited)

	Recovery operations	Mining and exploration	Adminis-tration	Reconciliation to Group figures	Group

	£'000	£'000	£'000	£'000	£'000
External revenues	13,343	1,072	-	-	14,415
Inter-segment revenues	278	-	-	(278)	-
Total revenues	13,621	1,072	-	(278)	14,415
Reportable segment profit/(loss) before tax	1,849	(692)	194	3	1,354
Reportable segment profit/(loss) before tax of discontinuing operation	-	(20)	-	-	(20)
Segment assets	26,552	3,846	30,217	(20,553)	40,062
Segment liabilities	17,334	3,333	4,649	(7,484)	17,832

For the twelve months ended 30 June 2017 (audited)

	Recovery operations £'000	Mining and exploration £'000	Adminis-tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	28,500	3,150	-	-	31,650
Inter-segment revenues	5,648	-	-	(5,648)	-
Total revenues	34,148	3,150	-	(5,648)	31,650
Reportable segment profit/(loss) before tax of continuing operation	4,365	(1,133)	(428)	32	2,836
Reportable segment profit/(loss) before tax of discontinuing operation	-	(1,012)	-	-	(1,012)
Segment assets	27,731	1,739	31,241	(19,583)	41,128
Segment liabilities	17,356	2,687	5,681	(6,497)	19,227

5. Seasonality of operations

The Group is not considered to be subject to seasonal fluctuations.

6. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2017 was 19.00% (six months ended 31 December 2016: 20.00%; twelve months ended 30 June 2017: 19.75%).

7. Discontinued operations

	6 months 31-Dec-17 (unaudited) £ '000	6 months 31-Dec-17 (unaudited) £ '000	12 months 30-Jun-17 (audited) £ '000
Administrative expenses	-	-	10
Net finance loss	-	20	47
Write off development cost of Nyieme	-	-	955

Loss for the period from discontinued operations	-	20	1,012
Basic earnings/(loss) per share (pence)	-	(0.01)	(0.60)
Diluted earnings /(loss) per share (pence)	-	(0.01)	(0.59)

The discontinued operations did not have a tax impact.

8. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2017, the Group acquired assets with a cost, excluding capitalised borrowing costs of £1,212,000 (six months ended 31 December 2016: £1,377,000; twelve months ended 30 June 2017: £2,056,000).

Assets with a carrying amount of £15,000 were disposed of during the six months ended 31 December 2017 (six months ended 31 December 2016: £13,000; twelve months ended 30 June 2017: £109,000), resulting in a loss on disposal of £8,000 (six months ended 31 December 2016: £8,000; twelve months ended 30 June 2017: £4,000), which is included in 'administrative expenses' in the condensed consolidated statement of comprehensive income.

9. Intangible assets and goodwill

	6 months 31-Dec-17 (unaudited) £'000	**6 months 31-Dec-16 (unaudited) £'000**	**12 months 30-Jun-17 (audited) £'000**
Cost			
Balance at beginning of period	11,570	12,467	12,467
Additions	17	-	157
Write-off	-	-	(976)
Foreign exchange translation	(110)	125	(78)
Balance at end of period	11,477	12,592	11,570
Amortisation and impairment losses			
Balance at beginning of period	2,863	2,741	2,741
Amortisation	110	112	224
Impairment	-	-	-
Foreign exchange translation	(8)	(86)	(102)
Balance at end of period	2,965	2,767	2,863
Carrying amounts			
Balance at end of period	8,512	9,825	8,707
Balance at beginning of period	8,707	9,726	9,726

10. Inventories

	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Consumable stores	1,564	1,172	1,202
Raw materials	1,934	586	644
Precious metal on hand and in process	5,256	9,683	6,898
Broken ore	164	278	218
	8,918	11,719	8,962

11. Trade and other receivables

	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Trade receivables	6,017	6,948	10,421
Other receivables	8,289	1,932	1,582
	14,306	8,880	12,003

Trade receivables include a provision for bad debt of £481,000 of which, £149,000 was raised in the previous years.

12. Cash and cash equivalents

	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Bank balances	1,183	885	2,650
	1,183	885	2,650
Bank overdrafts used for cash management purposes	(265)	(50)	-
Cash and cash equivalents in the statement of cash flows	918	835	2,650

13. Capital and reserves

Issue of ordinary shares

	6 months 31-Dec-17 (unaudited)	6 months 31-Dec-16 (unaudited)	12 months 30-Jun-17 (audited)
On issue at beginning of period	167,441,000	167,441,000	167,441,000
On issue at end of period	167,441,000	167,441,000	167,441,000
Authorised - par value £0.01	1,000,000,000	1,000,000,000	1,000,000,000

Issue of ordinary shares

	6 months	6 months	12 months

	31-Dec-17 (unaudited) £'000	31-Dec-16 (unaudited) £'000	30-Jun-17 (audited) £'000
On issue at beginning of period	1,675	1,675	1,675
On issue at end of period	1,675	1,675	1,675

Dividends

The following dividends were declared and paid by the Company:

	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Nil pence per qualifying ordinary share	-	-	-

14. Obligations under finance leases

Six months ended 31 December 2017 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	14.0%	2023	(374)	(374)
Finance lease liabilities	ZAR	10.5%	2019	(59)	(59)
Total Interest-bearing liabilities				(433)	(433)

Six months ended 31 December 2016 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	14.0%	2023	(312)	(312)
Finance lease liabilities	ZAR	10.5%	2018	(88)	(88)
Total Interest-bearing liabilities				(400)	(400)

Twelve months ended 30 June 2017 (audited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	14.0%	2023	(273)	(273)
Finance lease liabilities	ZAR	10.5%	2019	(110)	(110)
Total Interest-bearing liabilities				(383)	(383)

15. Interest bearing borrowings

Six months ended 31 December 2017 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5% plus 1 yr LIBOR	2018	667	667
Total Interest-bearing liabilities				667	667

Six months ended 31 December 2016 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	-	-	-	-	-
Total Interest-bearing liabilities				-	-

Twelve months ended 30 June 2017 (audited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5% plus 1 yr LIBOR	2018	1,172	1,172
Total Interest-bearing liabilities				1,172	1,172

16. Provisions

	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Environmental obligation			
Balance at beginning of period	446	383	383
Provisions made during the period	-	-	-
Foreign exchange translation	7	62	63
	453	445	446

The provision relates to a requirement to rehabilitate the land owned in South Africa upon cessation of the mining lease.

17. Trade and other payables

	6 months 31-Dec-17 (unaudited) £'000	6 months 31-Dec-16 (unaudited) £'000	12 months 30-Jun-17 (audited) £'000
Trade payables	3,960	3,298	3,751
Amounts received in advance	6,985	-	6,334
Accrued expenses	6,544	12,678	6,346
	17,489	15,976	16,431

18. Share options

Reconciliation of outstanding share options

	6 months ended 31-Dec-17 (unaudited)		6 months ended 31-Dec-16 (unaudited)	
	Number of options	Exercise price	Number of options	Exercise price
Outstanding at beginning of period	18,500,000		18,500,000	
Granted during the period	-	-	-	-
Outstanding at end of period	18,500,000		18,500,000	

	12 months ended 30-Jun-17 (audited)	
	Number of options	Exercise price
Outstanding at beginning of period	18,500,000	
Granted during the period	-	-
Lapsed during the year	-	
Outstanding at end of period	18,500,000	

The weighted average exercise price of the exercisable options is £0.0660 (31 December 2016: £0.0660; 30 June 2017: £0.0660).

The weighted average remaining contractual life of the options outstanding as at 31 December 2017 is 2 years 117 days (31 December 2016: 3 years 112 days; 30 June 2017: 2 years 301 days).

18. Fair values

The fair values of financial instruments such as interest-bearing loans and borrowings, finance lease liabilities, trade and other receivables/payables are substantially identical to carrying amounts reflected in the statement of financial position.

19. Group Entities

On 14 September 2016 Goldplat executed an earn-in option agreement (the "Agreement") with Ashanti Gold Corp. ("Ashanti") (formerly Gulf Shore Resources Ltd) which gives Ashanti the option for a US$3 million earn-in to Goldplat's Anumso Gold Project in Ghana (the "Project").

On 30 March 2017 Ashanti exercised its initial option to earn into the Anumso Gold Project in Ghana ("Anumso" or the "Project") under the terms of the option agreement between Goldplat and Ashanti.

Ashanti has the right to earn 75% of Goldplat's interest in the Project (giving Ashanti 67.5% of the overall Project interest) by expending US$3 million on exploration over a period of 2.5 years. An initial 51% share of Goldplat's interest will be earned through expending US$1.5 million in the first 18 months (the "Initial Option Period"), which includes a six-month review period. This review period is now over and Ashanti has elected to continue with the Agreement. Ashanti is obliged to either expend US$1.5 million on the Project within the Initial Option Period, or pay the deficiency to Goldplat.

Should Ashanti meet the expenditure condition within the Initial Option Period and receive 51% of Goldplat's interest in the Project (45.9% of the overall Project interest), it will have the option to earn an additional 24% share of Goldplat's interest (21.6% of the overall Project interest) by expending an additional US$1.5 million in the following 12 months period, or by paying the deficiency to Goldplat.