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

25 February 2019

Goldplat plc ('Goldplat' or 'the Company')

Interim results for the six months ended 31 December 2018

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 2018.

Overview

- The Group reports an operating loss for the six-month period of £653,000 (six months ended 31 December 2017: operating profit of £1,578,000).
- Production of gold and gold equivalents for the six months' period under review of 15,786 ounces (six months ended 31 December 2017: 20,246 ounces) is well below the year forecast.
- All operations reported decreased production due primarily to the poor first quarter at both recovery operations and planned production decreases at Kilimapesa Gold ('KPG'). The poor first quarter at the recovery operations reflected difficulties at Gold Recovery Ghana ('GRG') in sourcing sufficient material and challenges at Gold Recovery (Pty) Ltd ('GPL') in sourcing the required quality material during the period and highlights why sourcing remains a key strategic focus area for the Group.
- GPL recovered well from a poor first quarter and has returned to normal levels during the second quarter with both the by-product section and the Carbon in Leach ('CIL') section performing well. This performance is attributable to deliveries from clients returning to normal levels and Management's efforts to turn over gold inventory stocks that had accumulated over a period.
- GRG performed below plan despite production improvements during the second quarter and reported a loss for the six-month period. Production increased during the second quarter as established clients in Ghana made deliveries of material and additional material was sourced from South America. The plant continued to run below capacity during the second quarter and despite the improvement the losses from the first quarter could not be recovered.
- Substantial gold bearing material suitable for treatment at the Ghana plant has been identified at the operations of a major producer in West Africa. A trial batch of this material will be processed once export logistics and legalities has been finalised. A successful outcome of this trial will secure another stream of material for the Ghana operation.
- KPG continues to report losses despite a significant decrease in costs at the operation. This can be seen in the mining and exploration segment loss before tax of £836,000 (six months ending 31 December 2017: £81,000) of which £292,000 (six months ending 31 December 2017: £283,000) related to depreciation and amortisation. Plans to put Kilimapesa on care and maintenance have been put on hold whilst discussions regarding financing of the operation are in progress. Since October a strategy was followed to reduce production, improve grades and decrease the overall cost of running the operation. This strategy envisaged that losses can be kept below the cost of care and maintenance whilst we are progressing a possible transaction to secure funding.
- The net finance loss of £184,000 for the period (six months ended 31 December 2017: £746,000) relates mainly to the interest on the Scipion loans and the financing of debtors. The prior period included significant foreign exchange losses.
- The Group has maintained a cash reserve of £1,000,000 (31 December 2017: £1,183,000) with interest bearing borrowings increasing to £838,000 (31 December 2017: £667,000).

- Capital expenditure of £321,000 was spent during the period to maintain and optimise current plant infrastructure.

Chairman's Statement

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 over the past few years our focus is to greatly increase output and profitability, leveraging our established African operations to support clients globally.

I am therefore disappointed to report a poor period across the Group including production and financial performance. During the first quarter all operations reported decreased production and financial results, mainly as a result of problems with sourcing sufficient material for processing at GRG and the quality of material processed at GPL. I am pleased to report that the South African operation was turned around during the second quarter, with production back to normal levels, producing very good results. Performance at the Ghanaian operation improved significantly during the second quarter, but not enough to recover losses sustained in the first quarter. We continue to produce at a loss at the Kilimapesa mine in Kenya whilst negotiating funding for the operation with third parties.

Key issues and initiatives during the period under review have been: the sourcing of material for the recovery operations from existing clients and locations; realising value at both recovery operations from dormant inventory; progressing discussions with potential funders for Kilimapesa; and continued focus on sourcing of material from new locations, including the broader African continent and South America.

The decrease in production and consequent poor financial performance at both the recovery operations in this period has highlighted the difficulties inherent in these businesses, including an unpredictability in the supply of material from existing clients (reflecting the mature nature of the gold mining industry in South Africa and Ghana), and the time required to secure new clients in new markets and then overcome country logistics and regulatory issues. The amount of working capital required to secure contracts in new markets as well as to manage the continued pressure on credit cycles, also grows.

Focus on sourcing is key to mitigating the above-mentioned risks at the recovery operations. Senior management continues its comprehensive and planned strategy to identify potential sources of material, engage with the relevant producers and regulatory authorities and advance contract negotiations. Client and geographic diversification are key to improving visibility of supply of material and hence earnings from the recovery business. Significant progress is being made in this regard, notwithstanding the issues and risks mentioned above.

Revenues of £12,843,000 for the period represent a 30% decrease on last year (6 months ended 31 December 2017: £18,270,000), in line with decreased gold production and sales for the period. As a result, an operating loss of £653,000 was reported (6 months ended 31 December 2017: operating profit of £1,578,000). This resulted in a loss before tax of £837,000 for the six months ended 31 December 2018 (6 months ended 31 December 2017: profit before tax of £832,000).

The net finance expense of £184,000 includes interest paid on interest bearing borrowings of £66,000 (6 months ended 31 December 2017: £68,000) and £137,000 paid (6 months ended 31 December 2017: £143,000) on pre-financing of receivables.

Cash and cash equivalents at the end of the period stood at £1,000,000 (compared to £1,183,000 at the end of December 2017 and £1,915,000 at end of FY 2018). The decrease from year-end FY 2018 can be attributed the repayment of the interest bearing borrowings during the period.

With regard to group production and sales, overall gold and gold equivalent production for the six-month period ended 31 December 2018 was 15,786 ounces (compared to 20,246 ounces produced in the period ended 31 December 2017). Total gold and gold equivalent sold and transferred for the period was 15,593 ounces (compared to 21,783 ounces in the period ended 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 2018	December 2018	December 2017	December 2017	June 2018	June 2018
	Equivalent Gold	Equivalent Gold	Equivalent Gold	Equivalent Gold	Equivalent Gold	Equivalent Gold
	Kg	oz	kg	Oz	kg	oz
Gold Equivalent Production						
Goldplat Recovery	351	11,285	434	13,968	733	23,567
Gold Recovery Ghana	76	2,443	112	3,597	210	6,752
Kilimapesa Gold	64	2,058	83	2,681	159	5,112
Total	**491**	**15,786**	**629**	**20,246**	**1,102**	**35,431**
Gold Equivalent Sold						
Goldplat Recovery	279	8,970	355	11,420	655	21,059
Gold Recovery Ghana	60	1,929	146	4,693	249	8,010
Kilimapesa Gold	71	2,283	85	2,720	159	5,112
Total	**410**	**13,182**	**586**	**18,833**	**1,063**	**34,181**
Gold Equivalent Transferred						
Goldplat Recovery	75	2,411	92	2,950	162	5,219
Total	**75**	**2,411**	**92**	**2,950**	**162**	**5,219**
Gold Equivalent Sold and Transferred						
Goldplat Recovery	354	11,381	447	14,370	817	26,278
Gold Recovery Ghana	60	1,929	146	4693	249	8,010
Kilimapesa Gold	71	2,283	85	2,720	159	5,112
Total	**485**	**15,593**	**678**	**21,783**	**1,225**	**39,400**

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

Key initiatives during the period at GPL:

- Extensive processing of existing on-site inventory
- Securing a contract with a major PGM producer to provide material containing PGM's

- Test work to improve the financial viability of processing the large strategic stockpile

With gold production in South Africa in steady decline and ownership of existing operations continually changing, the market for material for GPL has become more unpredictable. Production of 11,285 ounces of gold and gold equivalents for the six-month period ended 31 December 2018 compared to the 13,968 ounces of gold and gold equivalents for the six months ended 31 December 2017. Production from both by-product circuits and CIL circuits was below plan during the first quarter, but production improved significantly during the second quarter due to the return to expected supply of material from clients, as well as a concerted effort to process inventory on site during the second quarter. Large volumes of inventory, not including strategic stockpiles, were processed during the second quarter, monetising inventory previously “dormant” due to the nature of the material or economics of final processing. This clean-up is continuing.

The process to secure West Pit 3 for tailings deposition continues to be frustrated by various stakeholders which are out of GPL’s control. We are still awaiting finalisation with the Department of Mineral Resources before GPL can move forward to finalise the design and other requirements. The alternative option for reprocessing and final deposition of the Tailings Storage Facility (‘TSF’) continues to be evaluated however deposition in the West Pit 3 still remains the most economical option.

Supply of material containing PGMs including woodchips and other by-product material was enhanced with a contract being concluded with one of the major producers. We are still investigating the most economical ways the material can be processed to recover the PGMs.

Goldplat Recovery Ghana (‘GRG’), Ghana

Key initiatives during the period at GRG:

- Concluding renewal of contracts with local clients
- Processing of all available on-site material
- Progress on large contracts in West Africa with a new client
- Securing a plant clean-up contract with an existing South American client
- Continued diversification of sourcing material from outside of Ghana

Sourcing sufficient quantities of material for processing in Ghana was challenging in the period, and remains so. Challenges include:

  - The unpredictable supply of material from existing local clients;
  - Lower grade material supplied from existing clients;
  - The time required to secure new clients in West Africa and South America due to various factors – including country logistics and regulatory issues
  - The additional working capital required to compete with other refiners in the business and manage the credit cycle; and
  - mature nature of the gold mining industry in Ghana resulting in decreased production from existing clients and few new operations coming into production

As a result, production for the six months to 31 December 2018 was 2,443 ounces of gold and gold equivalents compared to a total of 3,597 ounces produced for the six months to 31 December 2017.

Two contracts in Ghana were re-initiated during the Quarter and supply of small batches of material from South America continued. A one-off small but very high-grade batch of material was also received from a South American client and processed during the Quarter at normal margins.

Following prolonged negotiations with a major gold producer with operations in West Africa, the producer has agreed to deliver a trial batch of material to GRG once export logistics and legalities have been finalised.

Kilimapesa Gold ('KPG'), Kenya

Key initiatives during the period at KPG:
- Keep monthly operating losses to a minimum by focussing on improving grades and recovery and continuing to drive costs down – until a funding solution has been finalised
- Progressing discussions with potential funding partners

The Company took the decision not to put operations on care and maintenance at the end of November 2018 despite continuing losses due to progress on discussions regarding securing funding.

Plant throughput has been decreased further and costs reduced in order to try to minimise losses during these financing discussions. Grades from the underground mine as well as from purchased tailings were lower than originally planned during the period.

Production of 2,058 ounces of gold and gold equivalents for the six-month period ended 31 December 2018 was down when compared to the 2,681 ounces for the six months ended December 2017.

Anumso Gold Project ('Anumso')

Having met the initial expenditure requirement of US$1.5 million, Ashanti has exercised the Initial Option to take up 51% of Goldplat's interest in the project after 31 December 2018. Ashanti has notified Goldplat that they will not elect the Subsequent Option for an additional 24% of the project and the parties will, according to the agreement, form a Joint Venture to manage the project going forward.

Post-Period End

Progress can be reported subsequent to 31 December 2018 as follows:

- Operations at GPL continue to perform according to plan
- Sourcing of material for GRG remains difficult and unpredictable but good progress is being made in progressing contract negotiations and logistics in West Africa.
- A plant clean-up for an existing South American client has begun post the period with material being processed on-site as well as at GRG
- Discussions regarding securing funding for KPG remain ongoing

Outlook

Profits from operating activities continue to improve after a very poor first quarter. Sourcing of material for GRG and finalisation of funding for KPG are the immediate issues facing Goldplat. 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, is taking longer than expected but remains encouraging.

Matthew Robinson
Chairman
25 February 2019

**** ENDS ****

For further information visit www.goldplat.com, follow on Twitter @GoldPlatPlc or contact:

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Notes	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Revenue		12,843	18,270	33,796
Cost of sales		(12,464)	(15,117)	(28,725)
Gross profit		379	3,153	5,071
Administrative expenses		(1,032)	(1,575)	(2,562)
Results from operating activities		(653)	1,578	2,509
Finance income		30	174	20
Finance costs		(214)	(920)	(742)
Net finance expense		(184)	(746)	(722)
(Loss)/Profit before tax		(837)	832	1,787
Taxation	**6**	(98)	(359)	(1,281)
(Loss)/Profit for the period		(935)	473	506
Other comprehensive (expense)/income				
Exchange translation		(147)	37	(880)
Other comprehensive (expense)/income for the period, net of tax		(147)	37	(880)
Total comprehensive (expense)/income for the period		(1,082)	510	(374)
(Loss)/Profit from operations attributable to:				
Owners of the Company		(1,133)	189	(213)
Non-controlling interests		198	284	719
(Loss)/Profit for the period		(935)	473	506
Total comprehensive (expense)/income attributable to:				
Owners of the Company		(1,280)	226	(1,093)
Non-controlling interests		198	284	719
Total comprehensive (expense)/income for the period		(1,082)	510	(374)
Earnings per share				
Basic earnings per share (pence)		(0,67)	0,11	(0,13)
Diluted earnings per share (pence)		n/a	0,11	n/a

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31-Dec-18 (unaudited) £'000	31-Dec-17 (unaudited) £'000	30-Jun-18 (audited) £'000
Assets				
Property, plant and equipment	**7**	7,948	7,815	8,023
Intangible assets	**8**	8,413	8,512	8,462
Proceeds from sale of shares in subsidiary		980	1,306	1,137
Non-current assets		17,341	17,633	17,622
Inventories	**9**	7,718	8,918	7,791
Trade and other receivables	**10**	7,047	14,306	7,603
Cash and cash equivalents	**11**	1,000	1,183	1,915
Current assets		15,765	24,407	17,309
Total assets		33,106	42,040	34,931
Equity				
Share capital	**12**	1,675	1,675	1,675
Share premium		11,441	11,441	11,441
Exchange reserve		(6,220)	(5,156)	(6,073)
Retained earnings		9,959	11,494	11,092
Equity attributable to owners of the Company		16,855	19,454	18,135
Non-controlling interests		2,992	2,692	2,964
Total equity		19,847	22,146	21,099
Liabilities				
Obligations under finance leases	**13**	239	276	268
Provisions	**15**	413	453	417
Deferred tax liabilities		432	493	623
Non-current liabilities		1,084	1,222	1,308
Bank overdraft	**11**	1	265	376
Obligations under finance leases	**13**	257	157	192
Interest bearing borrowings	**14**	838	667	728
Taxation		201	94	300
Trade and other payables	**16**	10,878	17,489	10,928
Current liabilities		12,175	18,672	12,524
Total liabilities		13,259	19,894	13,832
Total equity and liabilities		33,106	42,040	34,931

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

The consolidated interim report of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 25 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 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, as previously reported	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							
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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	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, as previously reported	1,675	11,441	(5,193)	11,305	19,228	2,673	21,901
Total comprehensive (expense)/income for the period							
Profit/(loss) for the period	-	-	-	(213)	(213)	719	506
Total other comprehensive expense	-	-	(880)	-	(880)	-	(880)
Total comprehensive (expense)/income for the period	-	-	(880)	(213)	(1,093)	719	(374)
Transactions with owners of the Company recognised directly in equity							
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(428)	(428)
Total transactions with owners of the Company	-	-	-	-	-	(428)	(428)
Balance at 30 June 2018 (audited)	1,675	11,441	(6,073)	11,092	18,135	2,964	21,099

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 2018

	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 2018	1,675	11,441	(6,073)	11,092	18,135	2,964	21,099
Total comprehensive (expense)/income for the period							
(Loss)/Profit for the period	-	-	-	(1,133)	(1,133)	198	(935)
Total other comprehensive expense	-	-	(147)	-	(147)	-	(147)
Total comprehensive (expense)/income for the period	-	-	(147)	(1,133)	(1,280)	198	(1,082)
Transactions with owners of the Company recognised directly in equity							
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(170)	(170)
Total transactions with owners of the Company	-	-	-	-	-	(170)	(170)
Balance at 31 December 2018 (unaudited)	1,675	11,441	(6,220)	9,959	16,855	2,992	19,847

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 2018

	Notes	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Cash flows from operating activities				
Result from operating activities		(653)	1,578	2,509
Adjustments for:				
- Depreciation		484	437	856
- Amortisation		111	110	218
- Loss on sale of property, plant and equipment		-	8	7
- Foreign translation differences		(1)	7	(415)
		(59)	2,140	3,175
Changes in:				
- inventories		73	44	1,171
- trade and other receivables		556	(2,303)	4,400
- trade and other payables		(50)	1,058	(5,503)
Cash generated from operating activities		520	939	3,243
Finance income		30	174	20
Finance cost		(380)	(920)	(647)
Taxes paid		(388)	(476)	(1,153)
Net cash used in operating activities		(218)	(283)	(1,463)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-	7	7
Enhancement of exploration and development asset		-	(17)	(17)
Acquisition of property, plant and equipment		(321)	(1,069)	(1,738)
Receipt of proceeds from sale of shares in subsidiary		72	-	181
Non-current cash deposit		-	194	201
Net cash used in investing activities		(249)	(885)	(1,366)
Cash flows from financing activities				
Proceeds from drawdown of interest bearing borrowings		760	-	358
Payment of interest-bearing borrowings		(650)	(505)	(802)
Payment of dividend by subsidiary to non-controlling interest		(170)	-	(428)
Payment of finance lease liabilities		(36)	(93)	(183)
Net cash (used in)/from financing activities		(96)	(598)	1,055
Net decrease in cash and cash equivalents		(563)	(1,766)	(958)
Cash and cash equivalents at beginning of period		1,539	2,650	2,650
Foreign exchange movement on opening balance		23	34	(153)
Cash and cash equivalents at end of period	**11**	999	918	1,539

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 2018

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 2018 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 2018.

4. Operating segments

Information about reportable segments

For the six months ended 31 December 2018 (unaudited)

	Recovery operations £'000	Mining and exploration £'000	Adminis-tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	10,684	2,159	-	-	12,843
Inter-segment revenues	-	-	-	-	-
Total revenues	10,684	2,159	-	-	12,843
Depreciation	256	181	-	-	484
Amortisation	-	111	-	-	111
Reportable segment profit/(loss) before tax	389	(836)	(429)	39	(837)
Segment assets	21,793	1,339	31,074	(21,100)	33,106
Segment liabilities	11,598	4,195	5,485	(8,019)	13,259

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
Depreciation	264	173	-	-	437
Amortisation	-	110	-	-	110
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 twelve months ended 30 June 2018 (audited)

	Recovery operations £'000	Mining and exploration £'000	Adminis-tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	28,962	4,834	-	-	33,796
Inter-segment revenues	1,948	-	-	(1,948)	-
Total revenues	30,910	4,834	-	(1,948)	33,796
Depreciation	514	342	-	-	856
Amortisation	-	218	-	-	218
Reportable segment profit/(loss) before tax of continuing operation	3,769	(897)	(1,141)	56	1,787
Segment assets	22,778	1,792	31,119	(20,758)	34,931
Segment liabilities	12,230	3,764	5,524	(7,686)	13,832

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 2018 was 16.68% (six months ended 31 December 2017: 19.00%; twelve months ended 30 June 2018: 26.00%).

7. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2018, the Group acquired assets with a cost, excluding capitalised borrowing costs of £321,000 (six months ended 31 December 2017: £1,212,000; twelve months ended 30 June 2018: £1,998,000).

No assets were disposed of during the six months ended 31 December 2018 (six months ended 31 December 2017: £15,000; twelve months ended 30 June 2018: £15,000), resulting in a loss on disposal of £Nil (six months ended 31 December 2017: £8,000; twelve months ended 30 June 2018: £8,000), which is included in 'administrative expenses' in the condensed consolidated statement of comprehensive income.

8. Intangible assets and goodwill

	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Cost			
Balance at beginning of period	11,507	11,570	11,570
Additions	-	17	17
Foreign exchange translation	59	(110)	(80)
Balance at end of period	11,566	11,477	11,507
Amortisation and impairment losses			
Balance at beginning of period	3,045	2,863	2,863
Amortisation	111	110	218
Foreign exchange translation	(3)	(8)	(36)
Balance at end of period	3,153	2,965	3,045
Carrying amounts			
Balance at end of period	8,413	8,512	8,462
Balance at beginning of period	8,462	8,707	8,707

9. Inventories

	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Consumable stores	1,349	1,564	1,345
Raw materials	2,075	1,934	2,605
Precious metal on hand and in process	4,259	5,256	3,797
Broken ore	35	164	44
	7,718	8,918	7,791

10. Trade and other receivables

	6 months 31-Dec-18 (unaudited)	6 months 31-Dec-17 (unaudited)	12 months 30-Jun-18 (audited)

	£'000	£'000	£'000
Trade receivables	4,727	6,017	5,584
Other receivables	2,320	8,289	2,019
	7,047	14,306	7,603

11. Cash and cash equivalents

	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Bank balances	1,000	1,183	1,915
	1,000	1,183	1,915
Bank overdrafts used for cash management purposes	(1)	(265)	(376)
Cash and cash equivalents in the statement of cash flows	999	918	1,539

12. Capital and reserves

Issue of ordinary shares

	6 months 31-Dec-18 (unaudited)	6 months 31-Dec-17 (unaudited)	12 months 30-Jun-18 (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 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (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

No dividends were declared or paid by the Company during the periods.

13. Obligations under finance leases

Six months ended 31 December 2018 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	10.5%	2023	(410)	(410)
Finance lease liabilities	ZAR	10.0%	2021	(86)	(86)
Total finance lease liabilities				(496)	(496)

Six months ended 31 December 2017 (unaudited)

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

Twelve months ended 30 June 2018 (audited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	10.5%	2023	(348)	(348)
Finance lease liabilities	ZAR	10.0%	2021	(112)	(112)
Total finance lease liabilities				(460)	(460)

14. Interest bearing borrowings

Six months ended 31 December 2018 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5% plus 1 yr LIBOR	2019	838	838
Total Interest-bearing liabilities				838	838

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

Twelve months ended 30 June 2018 (audited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5% plus 1 yr LIBOR	2019	728	728
Total Interest-bearing liabilities				728	728

15. Provisions

	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Environmental obligation			
Balance at beginning of period	417	446	446
Foreign exchange translation	(4)	7	(29)
	413	453	417

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

16. Trade and other payables

	6 months 31-Dec-18 (unaudited) £'000	6 months 31-Dec-17 (unaudited) £'000	12 months 30-Jun-18 (audited) £'000
Trade payables	3,128	3,960	3,419
Amounts received in advance	1,262	6,985	2,407
Accrued expenses	6,488	6,544	5,102
	10,878	17,489	10,928

17. Share options

Reconciliation of outstanding share options

	6 months ended 31-Dec-18 (unaudited) Number of options	6 months ended 31-Dec-17 (unaudited) Number of options	12 months ended 30-Jun-18 (audited) Number of options
Outstanding at beginning of period	18,500,000	18,500,000	18,500,000
Lapsed during the period	(7,500,000)	-	-
Outstanding at end of period	11,000,000	18,500,000	18,500,000

The weighted average exercise price of the exercisable options is £0.03125 (31 December 2017: £0.0660; 30 June 2018: £0.0660). The weighted average remaining contractual life of the options outstanding as at 31 December 2018 is 2 years 171 days (31 December 2017: 3 years 112 days; 30 June 2018: 1 year 302 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 condensed consolidated 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. Ashanti was obliged to either expend US$1.5 million on the Project within the Initial Option Period, or pay the deficiency to Goldplat.

Subsequent to the end of the period, 31 December 2018, Ashanti has exercised the Initial Option to take up 51% of Goldplat's interest in the project. Ashanti has notified Goldplat that they will not elect the Subsequent Option for an additional 24% of the project and the parties will, according to the agreement, form a Joint Venture to manage the project going forward.