

22 February 2016

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

Goldplat plc, the AIM listed gold producer, announces its interim results for the six months ended 31 December 2015.

Overview

- Return to net profitability with a profit before tax of £395,000 for the six months ended 31 December 2015 (6 months 2014: loss of £377,000)
- Primary gold recovery operations in South Africa and Ghana both cash flow positive
- Overall gold production for the six month period was 17,457 ounces (FY 2015: 30,525 ounces)
- 17,875 ounces total gold sold / transferred (FY 2015: 24,904 ounces)
- A significant JORC compliant resource of 81,959 ounces of gold with additional silver and uranium oxide upside has been identified in the tailings facility at gold recovery operation in South Africa – work underway to determine optimal production and processing methods to optimise value
- Expansion and development plans underway at Kilimapesa Gold Mine in Kenya to alleviate project losses going forward
- Results underpin the success of Goldplat's turnaround strategy – additional capital projects planned to retain more of the value in-house and further increase profitability

Chairman's Statement

I am delighted to report that Goldplat has returned to net profitability during the period under review. Our portfolio of core assets consists of two gold recovery operations recovering gold from by-products of the mining process in South Africa and Ghana, and the Kilimapesa gold mine in Kenya.

I am pleased to say that the turnaround strategy put into place in the previous year to address various issues, as well as to make Goldplat more profitable in the continued low gold price environment, has progressed well during this interim period and is starting to deliver the desired outcomes and benefits. Risks associated with reliance on a single refinery have been mitigated, and elution throughput capacity at Goldplat Recovery (Pty) Ltd in South Africa has been increased to in excess of eight tonnes per day. Numerous capital projects, all funded internally and critical to the turnaround, have been successfully completed and backlog stocks have largely been processed. The problems relating to Rand Refinery, which resulted in the inability to process certain materials, significant backlog stock build-up, consequential reduced new deliveries from numerous clients, and a significant reduction in cashflow and profitability, are now behind us. The primary recovery operations are both cashflow positive and profitable.

With regard to our financial performance, I am pleased to report a profit before tax of £395,000 for the six months ended 31 December 2015 (a turnaround from a loss before tax of £796,000 for FY2015 and a loss of £377,000 for the six month period ended 31 December 2014). At the operating level the profit was £261,000 (compared to a loss of £711,000 for FY 2015 and a loss of £827,000 for the six months ended 31 December 2014). Cash and cash equivalents at the end of the period stood at £729,000 (compared to £630,000 at end of FY 2015 and £643,000 at the end of December 2014).

With regard to group production and sales, overall gold production for the six month period ended 31 December 2015 was 17,457 ounces (compared to 30,525 ounces of gold in FY 2015) and significantly, total gold sold / transferred for the period was 17,875 ounces (compared to 24,904 ounces in FY 2015). This demonstrates not only increased levels of production, but increased sales and a turnover in stocks. The following table summarises gold production, transfers and sales for the period per operation:

Goldplat Plc Consolidated	31 December 2015 kg	31 December 2015 oz	Year ended 30 June 2015 total kg	Year ended 30 June 2015 total oz
Total gold production				
Gold Recovery Ghana	146	4,694	190	6,111
Kilimapesa Gold	29	932	71	2,278
Goldplat Recovery	368	11,831	688	22,135
Total	543	17,457	949	30,525
Gold Sold				
Gold Recovery Ghana	175	5,626	80	2,578
Kilimapesa Gold	29	932	64	2,073
Goldplat Recovery	255	8,198	514	16,530
Total	459	14,756	658	21,181
Metal Transfers to clients				
Goldplat Recovery	97	3,119	116	3,723
Total	97	3,119	116	3,723
Total sold/transferred				
Gold Recovery Ghana	175	5,626	80	2,578
Kilimapesa Gold	29	932	64	2,073
Goldplat Recovery	352	11,317	630	20,253
Total	556	17,875	774	24,904

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

The focus at GPL for the period was the completion of a number of capital projects – the most important of which were the installation and commissioning of a 4-tonne elution column and associated equipment, and the depletion of the backlog of stock accumulated as a result of the Rand Refinery issues. I am pleased to report success on these initiatives.

Significant capital projects commissioned during the period, all of which were funded internally, include the installations of a new electric boiler; a new woodchip wash plant; a replacement mill in the low grade circuit; a new pumping station for the tailings treatment plant; a cyanide storage facility; the aforementioned 4-tonne elution column; an on-site weighbridge, and a carbon regeneration kiln. All of these projects represent either the necessary replacement of critical infrastructure and equipment, or new installations which make the operations more efficient and allow GPL to retain more of the value chain which had previously been lost to downstream third parties.

Gold production at GPL for the six month period ended 31 December 2015 was 11,831 ounces of gold (compared to 22,135 ounces for FY 2015) with gold sales/transferred of 11,317 ounces for the period (compared to 20,253 for FY 2015). These results are particularly pleasing considering that the new elution capacity only came into production towards the end of the period, and that significant attention was given to processing material from Goldplat Recovery Ghana ("GRG").

The highlight of the period was the successful installation and commissioning of the 4-tonne elution column. As previously reported a used plant consisting of three 4-tonne elution columns and associated equipment was acquired from DRD Gold Limited during FY 2015, with the first column being successfully installed and commissioned at GPL during the six month period ended 31 December 2015. This has increased elution throughput from approximately 1.5 tonne per day to in excess of 8 tonnes per day. Not only has this enabled the rapid reduction of backlog stocks, but has provided the flexibility and capacity to procure and process additional sources of material from within South Africa and internationally.

During the period a Competent Person was engaged to complete a JORC-compliant Resource Statement for the Tailings Storage Facility at GPL. In January 2016 a total resource of 81,959 ounces of gold, 216,094 ounces of silver and 193,276 pounds of U₃O₈ (uranium oxide) was declared. Work is underway to determine the optimal production method, recovery process, final tailings deposition facility and costs associated with re-processing this material.

Goldplat Recovery Ghana ('GRG'), Ghana

For the six month period ended 31 December 2015, GRG was limited to a single revenue stream (fine carbon). As a result of the Rand Refinery problems a significant increase in stock was built up in Ghana, resulting in payments to clients being delayed, pending treatment, and clients in turn delaying additional deliveries. In October 2015 GRG entered into a pre-payment agreement with Auramet International LLC to accelerate receipt of funds due from Aurubis Refinery in December 2015. This enabled GRG to accelerate payments to material suppliers in Ghana and in return facilitate the receipt of new material from these suppliers. This transaction was concluded successfully and GRG may enter into similar transactions in the future, as and when required.

Significant progress has been made during the period with respect to the restoration of production volumes as well as the depletion of stocks. Production for the six months to 31 December 2015 was 4,694 ounces of gold (compared to a total of 6,111 ounces of gold during FY2015 and 2 964

ounces of gold for the six months to 31 December 2014). Gold sold during the period amounted to 5,626 ounces (compared to 2,578 ounces during FY2015 and 1,242 ounces for the six months to 31 December 2014).

The CIL circuit is currently being dismantled and containerised for shipment to Kilimapesa in Kenya. This will free up space on the constrained site in Tema, Ghana for the potential expansion of other revenue streams. Plans for the final rehabilitation of the tailings deposition dam (which had reached capacity and was the reason for the cessation of the CIL process) have been completed with work planned to commence during the period to June 2016. The rehabilitation of the dam will also free up significant space on site.

During the period a shotblast facility was constructed and commissioned at GRG for the processing of steel mill liners and production of a concentrate for export. This represents a new revenue stream for GRG. Contracts for sourcing of material have been signed post December 2015 and deliveries of liners have commenced.

Plans are being prepared to install an elution column at the Tema site to improve the processing of carbon and to produce bullion for export in terms of our licence agreement with the Minerals Commission.

Strategically, Goldplat continues to view GRG as a significant growth opportunity with plans to source material for GRG from both West Africa and South America ongoing.

Kilimapesa Gold

Challenges at Kilimapesa remain significant and production of 932 ounces of gold for the six month period ended 31 December 2015 was down compared to 2,278 ounces of gold in FY 2015 and 1,081 ounces for the six month period to 31 December 2014. The main reason for this decrease was that sourcing of tailings from third parties was stopped by the Kenyan Government during the period. Processing of tailings from within the Kilimapesa lease area has subsequently been restarted.

Re-opening of Adit D was completed during the period and on-reef development began. A second outlet to Adit Bull has commenced on reef. Once completed, a new mining block will be opened up between Adit Bull and Adit D levels, which will provide production flexibility. Low grade ore is being stockpiled for later processing and waste sorting continues.

The Teng-Teng mine, which is part of the Kilimapesa exploration permit, was dewatered and re-equipped during the period. On-reef exploration has commenced in this area with encouraging gold grades reported by previous owners being confirmed from initial limited and early stage exploration work.

A Knelson concentrator was installed at Kilimapesa during the period and is ready for trials at the existing processing facility.

Operations at Kilimapesa continue to be processing-constrained, both in terms of the size and efficiency of the existing processing facility as well as the tailings deposition facility. The life of the tailings deposition facility has now been extended to 6-9 months. Ground for a new processing facility and tailings deposition site has been secured with all the necessary documentation and permitting being substantially complete, with only the approval of the Environmental Impact Assessment and VAT exemptions pending. Designs for both the processing plant and the tailings facility have been completed. The expansion is planned in two stages, the first of which includes moving the CIL plant from GRG to Kilimapesa and constructing it on the new site. An interim tailings facility serving the CIL will be constructed on the final facility site. This process is expected to commence during Q2 2016 and be completed before the end of 2016.

Discussions regarding funding of the above project as well as regarding Kilimapesa in general remain ongoing with renewed interest being showed since the gold price started to improve. A local bank facility of \$250,000 is in place for financing of equipment related to the production and processing expansion.

Exploration and Development Portfolio

In the light of the political problems in Burkina Faso, the Nyieme gold project, which is at an early stage of exploration, and Midas Gold SARL, which has potential to be developed into a gold recovery operation, remain low priority projects in the near term. In Ghana it is intended that progress will be made on the Anumso Gold Project. To this end, preliminary talks are underway with third parties regarding potential partnerships

Conclusion

For the rest of the current year we expect production and sales to continue at current rates, and for the recovery operations to build on the success of the first half. Capital projects during the period to June 2016 will be restricted to high priority projects including, but not limited to, the stage 1 expansion at Kilimapesa and the installation of an elution column at GRG. The major challenge ahead is to return Kilimapesa to profitability or to find a corporate solution to alleviate the losses from this operation.

With a turnaround strategy in place and delivering results, the problems associated with the Rand Refinery overcome, cost cutting efforts continuing, and the gold price showing signs of recovery, we remain optimistic about the future of Goldplat.

Brian Moritz
Chairman
22 February 2016

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

	Notes	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Continuing operations				
Revenue		10,673	8,054	16,628
Cost of sales		(9,472)	(7,952)	(15,660)
Gross profit		<u>1,201</u>	<u>102</u>	<u>968</u>
Administrative expenses		(956)	(929)	(1,679)
Results from operating activities		<u>245</u>	<u>(827)</u>	<u>(711)</u>
Finance income		171	644	843
Finance costs		(21)	(194)	(807)
Net finance income		<u>150</u>	<u>450</u>	<u>36</u>
Write off development cost of discontinued South African Mining Operations		-	-	(121)
Income/(Loss) before tax		<u>395</u>	<u>(377)</u>	<u>(796)</u>
Taxation	6	(203)	(40)	(96)
Income/(Loss) for the period		<u>192</u>	<u>(417)</u>	<u>(892)</u>
Other comprehensive income/(expense)				
Exchange translation		(511)	317	(860)
Other comprehensive income/(loss) for the period, net of tax		<u>(511)</u>	<u>317</u>	<u>(860)</u>
Total comprehensive (loss) for the period		<u>(319)</u>	<u>(100)</u>	<u>(1,752)</u>
Income/(Loss) attributable to:				
Owners of the Company		(11)	(503)	(1,143)
Non-controlling interests		203	86	251
Income/(Loss) for the period		<u>192</u>	<u>(417)</u>	<u>(892)</u>
Total comprehensive (loss) attributable to:				
Owners of the Company		(522)	(186)	(2,003)
Non-controlling interests		203	86	251
Total comprehensive (loss) for the period		<u>(319)</u>	<u>(100)</u>	<u>(1,752)</u>
Earnings per share – continuing operations				
Basic earnings per share (pence)		0.11	(0.25)	(0.53)
Diluted earning per share (pence)		0.10	n/a	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 2015**

	Notes	31-Dec-15 (unaudited) £'000	31-Dec-14 (unaudited) £'000	30-Jun-15 (audited) £'000
Assets				
Property, plant and equipment	7	4,475	4,396	4,449
Intangible assets	8	7,253	7,327	7,033
Pre-production expenditure	9	2,136	2,452	2,136
Proceeds from sale of shares in subsidiary		1,093	1,450	1,357
Non-current cash deposits		218	238	233
Non-current assets		<u>15,175</u>	<u>15,863</u>	<u>15,208</u>
Inventories	10	8,063	6,063	7,727
Trade and other receivables	11	4,773	3,421	3,305
Cash and cash equivalents	12	729	643	630
Current assets		<u>13,565</u>	<u>10,127</u>	<u>11,662</u>
Total assets		<u><u>28,740</u></u>	<u><u>25,990</u></u>	<u><u>26,870</u></u>
Equity				
Share capital	13	1,685	1,685	1,685
Share premium		11,498	11,498	11,498
Exchange reserve		(7,218)	(5,530)	(6,707)
Retained earnings		9,873	10,508	9,868
Equity attributable to owners of the Company		<u>15,838</u>	<u>18,161</u>	<u>16,344</u>
Non-controlling interests		1,984	1,728	1,893
Total equity		<u>17,822</u>	<u>19,889</u>	<u>18,237</u>
Liabilities				
Obligations under finance leases	14	161	183	199
Interest bearing borrowings	15	-	-	56
Provisions	16	106	129	121
Deferred tax liabilities		452	454	459
Non-current liabilities		<u>719</u>	<u>766</u>	<u>835</u>
Interest bearing borrowings	15	91	-	104
Obligations under finance leases	14	129	228	120
Taxation		30	-	18
Trade and other payables	17	9,949	5,107	7,556
Current liabilities		<u>10,199</u>	<u>5,335</u>	<u>7,798</u>
Total liabilities		<u>10,918</u>	<u>6,101</u>	<u>8,633</u>
Total equity and liabilities		<u><u>28,740</u></u>	<u><u>25,990</u></u>	<u><u>26,870</u></u>

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 22 February 2016. They were signed on its behalf by:

Ian Visagie, Director

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

	Attributable to owners of the Company					Non-	Total
	Share capital	Share premium	Exchange reserve	Retained earnings	Total	controlling interests	equity
	£'000	£'000	£'000	£'000	£ '000	£'000	£'000
Balance at 1 July 2014, as previously reported	1,685	11,498	(5,847)	11,011	18,347	1,642	19,989
Total comprehensive income for the period							
Loss for the period	-	-	-	(503)	(503)	86	(417)
Total other comprehensive income	-	-	317	-	317	-	317
Total comprehensive income for the period	-	-	317	(503)	(186)	86	(100)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Share based payments transactions	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-
Balance at 31 December 2014 (unaudited)	<u>1,685</u>	<u>11,498</u>	<u>(5,530)</u>	<u>10,508</u>	<u>18,161</u>	<u>1,728</u>	<u>19,889</u>

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 2015**

	Attributable to owners of the Company					Non- controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Exchange reserve £'000	Retained earnings £'000	Total £ '000		
	Balance at 1 January 2015	1,685	11,498	(5,530)	10,508		
Total comprehensive income for the period							
Loss for the period	-	-	-	(640)	(640)	165	(475)
Total other comprehensive income	-	-	(1,177)	-	(1,177)	-	(1,177)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>(1,177)</u>	<u>(640)</u>	<u>(1,817)</u>	<u>165</u>	<u>(1,652)</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2015 (audited)	<u>1,685</u>	<u>11,498</u>	<u>(6,707)</u>	<u>9,868</u>	<u>16,344</u>	<u>1,893</u>	<u>18,237</u>

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 2015**

	Attributable to owners of the Company					Non- controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Exchange reserve £'000	Retained earnings £'000	Total £'000		
	Balance at 1 July 2015	1,685	11,498	(6,707)	9,868		
Total comprehensive income for the period							
Profit for the period	-	-	-	(11)	(11)	203	192
Total other comprehensive income	-	-	(511)	-	(511)	-	(511)
Total comprehensive income for the period	-	-	(511)	(11)	(522)	203	(319)
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	-	-	-	-	-	(112)	(112)
Total transactions with owners of the Company	-	-	-	-	-	(112)	(112)
Balance at 31 December 2015 (unaudited)	1,685	11,498	(7,218)	9,873	15,838	1,984	17,822

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 2015**

	Notes	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Cash flows from operating activities				
Results from operating activities		261	(827)	(832)
Adjustments for:				
- Depreciation		220	256	390
- Amortisation		90	16	189
- Loss on sale of property, plant and equipment		39	-	148
- Equity-settled share-based payment transactions		16	-	-
- Foreign exchange differences		(374)	27	(172)
		<u>252</u>	<u>(528)</u>	<u>(277)</u>
Changes in:				
- inventories		(336)	(975)	(2,639)
- trade and other receivables		(1,468)	1,365	1,481
- trade and other payables		2,393	(875)	1,574
- provisions		(15)	-	(8)
		<u>826</u>	<u>(1,013)</u>	<u>131</u>
Cash generated from/(used in) operating activities				
Finance income		171	644	843
Finance cost		(21)	(194)	(679)
Taxes paid		(146)	(43)	(76)
		<u>830</u>	<u>(606)</u>	<u>219</u>
Net cash from/(used in) operating activities				
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		34	35	24
Enhancement of exploration and development asset		(59)	(31)	(92)
Acquisition of property, plant and equipment		(623)	(84)	(909)
Non-current cash deposit		15	(36)	(31)
		<u>(633)</u>	<u>(116)</u>	<u>(1,008)</u>
Net cash used in investing activities				
Cash flows from financing activities				
Payment of interest bearing borrowings		(69)	-	160
Payment of finance lease liabilities		(29)	(90)	(196)
		<u>(98)</u>	<u>(90)</u>	<u>(36)</u>
Net cash used in financing activities				
Net increase/(decrease) in cash and cash equivalents		99	(812)	(825)
Cash and cash equivalents at beginning of period		630	1,455	1,455
Cash and cash equivalents at end of period	12	<u>729</u>	<u>643</u>	<u>630</u>

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 2015**

1. General information

The information for the year ended 30 June 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported 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 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 by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2015.

4. Operating segments

Information about reportable segments

For the six months ended 31 December 2015 (unaudited)

	Recovery operations £'000	Mining and exploration £'000	Adminis- tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	10,014	659	-	-	10,673
Inter-segment revenues	2,289	-	-	(2,289)	-
Total revenues	12,303	659	-	(2,289)	10,673
Reportable segment profit/(loss) before tax	1,222	(477)	(368)	18	395
Reportable segment assets	16,651	6,415	29,158	(23,484)	28,740
Reportable segment liabilities	11,287	5,156	4,798	(10,323)	10,918

For the six months ended 31 December 2014 (unaudited)

	Recovery operations	Mining and exploration	Adminis- tration	Reconciliation to Group figures	Group
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	£'000	£'000	£'000	£'000	£'000
External revenues	7,407	647	-	-	8,054
Inter-segment revenues	221	-	-	(221)	-
Total revenues	7,628	647	-	(221)	8,054
Reportable segment profit/(loss) before tax	4	(368)	(13)	-	(377)
Reportable segment assets	17,407	1,396	7,187	-	25,990
Reportable segment liabilities	6,132	371	121	(523)	6,101

For the twelve months ended 30 June 2015 (audited)

	Recovery operations £'000	Mining and exploration £'000	Adminis- tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	15,037	1,591	-	-	16,628
Inter-segment revenues	1,805	-	-	(1,805)	-
Total revenues	16,842	1,591	-	(1,805)	16,628
Reportable segment profit/(loss) before tax	873	(933)	(550)	(65)	(675)
Reportable segment assets	14,546	6,099	28,542	(22,317)	26,870
Reportable segment liabilities	8,292	4,515	4,969	(9,143)	8,633

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 2015 was 20.00% (six months ended 31 December 2014: 21%; twelve months ended 30 June 2015: 20.75%).

7. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2015, the Group acquired assets with a cost, excluding capitalised borrowing costs of £623,000 (six months ended 31 December 2014: £310,000; twelve months ended 30 June 2015: £1,149,000).

Assets with a carrying amount of £73,000 were disposed of during the six months ended 31 December 2015 (six months ended 31 December 2014: £35,000; twelve months ended 30 June 2015: £172,000), resulting in a loss on disposal of £39,000 (six months ended 31 December 2014: £nil; twelve months ended 30 June 2015: £148,000), which is included in 'administrative expenses' in the condensed consolidated statement of comprehensive income.

8. Intangible assets

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Cost			
Balance at beginning of period	7,750	7,974	7,974
Additions	59	31	92
Foreign exchange translation	245	178	(316)
Balance at end of period	<u>8,054</u>	<u>8,183</u>	<u>7,750</u>
Amortisation and impairment losses			
Balance at beginning of period	717	780	780
Amortisation	17	16	29
Foreign exchange translation	67	60	(92)
Balance at end of period	<u>801</u>	<u>856</u>	<u>717</u>
Carrying amounts			
Balance at end of period	<u>7,253</u>	<u>7,327</u>	<u>7,033</u>
Balance at beginning of period	<u>7,033</u>	<u>7,194</u>	<u>7,194</u>

9. Pre-production expenditure

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Cost			
Balance at beginning of period	4,172	4,172	4,172
	<u>4,172</u>	<u>4,172</u>	<u>4,172</u>
Amortisation and impairment losses			
Balance at beginning of period	2,036	1,715	1,715
Amortisation for the period	73	-	160
Impairment	-	81	-
Effect of movement in exchange rates	(73)	(76)	161
	<u>2,036</u>	<u>1,720</u>	<u>2,036</u>
Carrying amounts			
Balance at end of period	<u>2,136</u>	<u>2,452</u>	<u>2,136</u>
Balance at beginning of period	<u>2,136</u>	<u>2,457</u>	<u>2,457</u>

10. Inventories

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Consumable stores	915	1,306	1,009
Raw materials	473	523	516

Precious metals on hand and in process	6,572	4,178	6,115
Broken ore	103	56	87
	<u>8,063</u>	<u>6,063</u>	<u>7,727</u>

11. Trade and other receivables

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Trade receivables	3,119	2,119	2,447
Other receivables	1,654	1,222	858
	<u>4,773</u>	<u>3,421</u>	<u>3,305</u>

12. Cash and cash equivalents

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Bank balances	729	643	630
Cash and cash equivalents in the statement of cash flows	729	643	630

13. Capital and reserves

Issue of ordinary shares

	6 months 31-Dec-15 (unaudited)	6 months 31-Dec-14 (unaudited)	12 months 30-Jun-15 (audited)
On issue at beginning of period	168,441,000	168,441,000	168,441,000
On issue at end of period	168,441,000	168,441,000	168,441,000
Authorised - par value £0.01	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>

Issue of ordinary shares

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
On issue at beginning of period	1,685	1,685	1,685
On issue at end of period	<u>1,685</u>	<u>1,685</u>	<u>1,685</u>

Dividends

The following dividends were declared and paid by the Company:

6 months 31-Dec-15	6 months 31-Dec-14	12 months 30-Jun-15
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	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Nil pence per qualifying ordinary share	-	-	-

14. Obligations under finance leases

Six months ended 31 December 2015 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	ZAR	9.75%	2016/17	(290)	(290)
Total Interest-bearing liabilities				(290)	(290)

Six months ended 31 December 2014 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	ZAR	9%	2015/16	(411)	(411)
Total Interest-bearing liabilities				(411)	(411)

Twelve months ended 30 June 2015 (audited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	ZAR	9%	2015/16	(319)	(319)
Total Interest-bearing liabilities				(319)	(319)

15. Interest bearing borrowings

Six months ended 31 December 2015 (unaudited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
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Interest bearing borrowings	ZAR	9.75%	2016	(91)	(91)
Total Interest-bearing liabilities				(91)	(91)

Six months ended 31 December 2014 (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 2015 (audited)

	Currency	Interest rate nominal	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	ZAR	9.25%	2016	(160)	(160)
Total Interest-bearing liabilities				(160)	(160)

16. Provisions

	6 months 31-Dec-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Environmental obligation			
Balance at beginning of period	121	129	129
Provisions made during the period	5	-	-
Foreign exchange translation	(20)	-	(8)
	<u>106</u>	<u>129</u>	<u>121</u>

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-15 (unaudited) £'000	6 months 31-Dec-14 (unaudited) £'000	12 months 30-Jun-15 (audited) £'000
Trade payables	2,440	1,384	1,860
Accrued expenses	7,509	3,723	5,696
	<u>9,949</u>	<u>5,107</u>	<u>7,556</u>

18. Share options

Reconciliation of outstanding share options

	6 months ended 31-Dec-15 (unaudited)		6 months ended 31-Dec-14 (unaudited)		12 months ended 30-Jun-15 (audited)	
	Number of options	Exercise price	Number of options	Exercise price	Number of options	Exercise price
Outstanding at beginning of period	8,500,000		7,500,000		7,500,000	
Granted during the period	<u>11,000,000</u>	3.125p	<u>1,000,000</u>	6.00p	<u>1,000,000</u>	6.00p
Outstanding at end of period	<u>19,500,000</u>		<u>8,500,000</u>		<u>8,500,000</u>	

Of the options outstanding at 31 December 2015, 12,166,666 are exercisable (31 December 2014: 8,500,000; 30 June 2015: 8,500,000).

The weighted average exercise price of the exercisable options is £0.0864 (31 December 2014: £0.1072; 30 June 2015: £0.1103).

The weighted average exercise price of the outstanding options is £0.0657 (31 December 2014: £0.1072; 30 June 2015: £0.1103).

On 22 July 2015 the Company issued 11,000,000 share options to key management. The fair value of these options has been independently calculated using the Black Scholes model using the following assumptions:

	Tranche 1	Tranche 2	Tranche 3
Number of options	3,666,667	3,666,667	3,666,666
Risk free interest rate	- 1.51%	- 1.69%	- 1.83%
Expected volatility	- 58.61%	- 58.61%	- 58.61%
Expected dividend yield	- 0%	- 0%	- 0%
Life of the option	- 5 years	- 6 years	- 7 years

The weighted average remaining contractual life of the options outstanding as at 31 December 2015 is 1 year 360 days (31 December 2014: 4 years 142 days; 30 June 2015: 3 years 45 days).

19. 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.

20. Contingencies

The Kenyan Revenue Authority has conducted a preliminary enquiry on the tax affairs of Kilimapesa Gold (Pty) Limited which may result in additional tax liabilities.

Her Majesty's Revenue and Customs in the UK have raised a VAT assessment on the parent company of £147,762. The company is in the process of an appeal against this.

In both cases the directors remain confident of a favourable outcome.