

**Goldplat plc ('Goldplat' or 'the Company')**  
**Interim results for the six months ended 31 December 2020**

Goldplat plc, the AIM listed gold producer, with international gold recovery operations located in South Africa and Ghana, announces its unaudited interim results for the six months ended 31 December 2020.

## Overview

### Group

- Goldplat achieved an operating profit for the six months ended 31 December 2020 of £2,600,000 (31 December 2019: £2,566,000). Within this, the South African operation achieved an operating profit of £2,108,000 (31 December 2019: £2,659,000) and the Ghana operation increased operating profitability by more than 5-fold to £849,000 (31 December 2019: £151,000);
- The fully diluted earnings per share for the period from continuing operations increased to 1.45 pence (31 December 2019: 0.63 pence) as a result of increased performance in Ghana, increasing net profit from continuing operations attributable to owners of the company to £1,256,000 (31 December 2019: £536,000).

### South Africa

- Revenues in South Africa decreased by 13% to £8,243,000 (six months ended 31 December 2019: £9,486,000);
- In pursuance of the objective to ensure profitability of our production lines, from material available in the market, on a sustainable basis, we have invested substantial time and resources on gathering data to optimise the production lines and investigating the best processing routes to obtain maximum recovery during re-processing of the gold contained in our tailings storage facility ("TSF"). This expenditure contributed to higher operating cost but this research should inform our future decision making;
- The total capital expenditure during the period in South Africa amounted to £394,000 focussed on the optimisation of the largest milling and Carbon-in Leach Circuit by adding additional equipment, and the installation of a pilot plant to bulk test material from the TSF, as described above, and the further extension of the deposition area on the current TSF;
- Normal operating costs increased, specifically as a result of electricity price increases, more water used from the Rand Water Board and rental of yellow machinery for material handling purposes in addition to higher security and engineering costs. Further electricity increases are expected but measures have been taken to mitigate and reduce other cost.

### Ghana

- We experienced a good supply from our regular clients during the period which was supported with supply from a new client in South America, driving the 92% increase in revenue year on year to £4,359,000 (six months ended 31 December 2019: £2,273,000).
- Our marketing efforts in Mali, Burkina Faso and Ivory Coast to secure additional sources of supply continue, with engagements at mine and Government level. We have received a low-grade trial batch from another mine in Mali for evaluation purposes and initial results are encouraging. By achieving a larger geographical spread with more clients, our objective is to have a steady supply to our plant in Tema from current production rather than ad hoc supplies from stockpiles.
- We are still engaging with relevant authorities in Ghana on re-entering the processing and tolling of tailings material.

## Kilimapesa Update

- We are encouraged with the progress made during the last month on the sale of Kilimapesa to Mayflower. The formal legal documentation has been signed and transaction has been approved by a majority of Papillon shareholders, Papillon creditors deeds have been executed and we are in a position to complete the transaction by 31 March.

## Chairman's Statement

I am pleased to report good progress in delivering sustainable and strong results from our gold recovery operations, with profit for the half year from continuing operations of £1,500,000 (2019: £1,000,000) and an all-in, fully diluted EPS for the half year of 1.45 pence (Restated 31 December 2019: 0.63 pence). As recently announced, progress also includes simplifying the group structure to reduce group costs and ensure more of the strong operational performance may flow to our shareholders.

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, thereby providing mines with an environmentally-friendly and cost-efficient way of removing waste material.

We are also in the process of selling our Kilimapesa gold exploration and mining operation in Kenya and this is progressing well.

The Revenues for continuing operations for the six months ended 31 December 2020 increased by 7% to £12,602,000 (restated six months ended 31 December 2019: £11,759,000), with the growth achieved in Ghana, where revenues increased by 92%, from £2,273,000 for the six months ended 31 December 2019 to £4,359,000. The growth in Ghana was set-off by lower gold production in South Africa resulting in a decrease in Revenues in South Africa by 13% to £8,243,000 (six months ended 31 December 2019: £9,486,000).

The Group achieved an operating profit from continuing operations for the six months ended 31 December 2020 of £2,600,000 (restated for the six months ended 31 December 2019: £2,566,000). The overall increase was impacted by lower gold production in South Africa where material processed during this period was lower in grade and the volume of fine carbon was less than in previous periods. The measures being taken by the Company and the continuous research of better processing methods should ameliorate this effect as mines become more efficient and during the consolidation process of the industry.

The net financing cost can be split into intergroup foreign exchange movements, third party foreign exchange movements and net interest paid. This has been broken down in the below table:

	Six Months Ended 31 December 2020	Restated Six Months Ended 31 December 2019
Intergroup foreign exchange movements	(357,000)	(400,000)
Third party foreign exchange movements	(72,000)	(121,000)
Net interest paid	(149,000)	(127,000)
Total	(578,000)	(648,000)

The net interest paid includes £66,000 (31 December 2019: £41,000) paid on the Scipion loan. The remainder relates to lease interest of £36,000 (31 December 2019: £44,000) and pre-financing of proceeds of £36,000 (31 December 2019: £132,000).

The profit after taxation of £1,500,000 (restated 31 December 2019: £1,000,000) was negatively impacted by unrealised intragroup foreign exchange losses on intercompany loans balances for the six months ended of £357,000 (31 December 2019: £400,000). The group has intercompany loans denominated in USD which differ from its reporting currencies. The strengthening of the ZAR against the USD contributed the most to the unrealised intragroup foreign exchange loss for the six months.

The taxation expense decreased to £560,000 (31 December 2019: £918,000) as a result of more of the Group profits being attributable to Ghana which are subject to a favourable tax rate of 15%. Furthermore, the withholding tax expense year-on-year was lower due to less dividends declared by Goldplat Recovery (Pty) Ltd ('GPL') during the period, reducing dividend taxation paid for the six months ended 31 December 2020 to £80,000 (31 December 2019: £190,000). With Kilimapesa no longer requiring funding from the group we expect to maintain lower dividend declarations to fund working capital requirements. By restructuring GPL as a subsidiary of Goldplat Plc, as recently announced, there will not only be a saving of General and Administrative expenses but also a reduction in the withholding tax rate on dividends declared to Goldplat Plc

Cash and cash equivalents at the end of the period (net of bank overdrafts) decreased to £910,000 (31 December 2019: £1,981,000). This decrease in cash is attributable to increases in inventories and accounts receivable.

Precious metals on hand and in process doubled to £7,591,000 during the period, directly related to the larger batches of material received in Ghana and gold produced in South Africa not sold. Sales from this material will be accounted for during the third quarter.

We further increased our strategic raw material stockpiles by investing £1,400,000 in material. This is a defined strategy of the company to ensure sustainable production and afford the company the opportunities to blend and schedule production to maximise returns.

During the period trade and other receivable balances increased by £1,470,000.

The precious metals on hand and in process and trade receivable balance fluctuate based on when material is received and sold. The cash balance at date of the report increased to £1,990,000.

### **Goldplat Recovery (Pty) Ltd ('GPL')**

Revenues in South Africa decreased by 13% to £8,243,000 (six months ended 31 December 2019: £9,486,000). Fluctuations of this nature are not uncommon and are dependent on the nature of material purchased, the grade of the material and the stage of processing. Margins on high value material are normally lower than lower value material received and changes in revenues do not necessarily result in lower margins. During the comparative period ending 31 December 2019, South Africa achieved record sales numbers as a result of good quality, high grade material available to be processed through all circuits. The production during the six months ended 31 December 2020, was in line with production during the six months ended 30 June 2020. In comparison with the six months ended 31 December 2019 the current period production was impacted by a milling circuit being offline for 3 months, whilst the pilot plant was constructed, and lower volumes of by-products received from clients.

The reduction in turnover and increased operating costs, did offset the benefit derived from increases in gold prices and resulted in the operating profit in South Africa for the period decreasing year-on-year from £2,659,000 for the six months ended 31 December 2019 to £2,108,000.

Increases in operating costs included £51,000 in water consumption from Rand Water Board due to poorer quality of other water sources we used in the past being contaminated by sewage from pipe failures in surrounding areas. The rental and repair of plant machinery during the period increased by £38,000, due to additional material handling requirements and breakdown of yellow machinery requiring lengthy repair. The additional plant infrastructure, together with increased electricity prices resulted in an increase in electricity cost compared to the previous period of £67,000. During the period we changed the security service provider in South Africa, resulting in an extra month of security cost being incurred. The additional cost amounted to £32,000 but in changing service providers will result in future saving of £11,000 per month.

Arrangements made to transport our staff in a hygienic and safe manner and other operating requirements under Covid-19 restrictions, cost the South African subsidiary an additional £75,000.

During the period we also evaluated an alternate PGM resource at some cost. We achieved mixed results but will continue our endeavours to penetrate and pursue this market.

The approval of our new TSF in South Africa remains critical to our ability to continue operating at current levels. The approval for the application is due in July 2021 but we will start pre-construction work during the June quarter to ensure we are in a position to move our deposition to the new facility when approval is received. The construction cost of the new TSF is estimated at £700,000.

The test work on re-processing the existing TSF has advanced to the point where we have established what we believe to be the optimal processing routes in terms of gold recovery, processing volumes and operating costs. These options will now be evaluated by accredited technical facilities to obtain the data on which the final processing plan can be designed.

### **Gold Recovery Ghana ('GRG')**

We experienced a good supply from our regular clients during the period which was supported with supply from a new client in South America, driving the 92% increase in revenue year on year to £4,359,000 (six months ended 31 December 2019: £2,273,000). The increase in volume of material processed, together with the higher gold price resulted in operating profit margins increasing from 6.6% during the 6 months ended 31 December 2019 to 19.5% for the 6 months ended 31 December 2020. Operating profit of £849,000 for the 6 months ended 31 December 2020 represents a more than five-fold increase from Operating profit reported for the 6 months ended 31 December 2019 of £151,000.

Our efforts in Mali, Burkina Faso and Ivory Coast to secure additional sources of supply continue, with engagements at mine and Government level, has yielded positive outcomes and the company continues its marketing in the region. We have received a low-grade trial batch from another mine in Mali for evaluation purposes and initial results are encouraging. By achieving a larger geographical spread with more clients, our objective is to have a steady supply from the mines current production, rather than ad hoc supplies from stockpiles.

We are still engaging with relevant authorities in Ghana on re-entering the processing and tolling of tailings material.

## **Kilimapesa Gold ('KPG')**

KPG is currently classified as an asset in disposal groups classified as held for sale and has been disclosed separately in the statement of financial position at fair value less the cost of sale. During the period the Group supported KPG with a balance of £243,000 which has been impaired and recognised under discontinued operations during the period.

The formal legal documentation relating to the acquisition of total issued share capital of Kilimapesa by Mayflower Gold Investments Limited ("Mayflower Gold") a wholly owned subsidiary of Mayflower Capital Investments Pty Limited (the "Transaction") has been signed by all parties. The formal documentation includes a Share Purchase Agreement ("SPA") entered into by Gold Mineral Resources Limited ("GMR") (a wholly owned subsidiary of Goldplat) with Mayflower Gold. The SPA sets out the terms of the Transaction under which Mayflower Gold will acquire 100% of the entire issued share capital of Kilimapesa which holds the licences and assets of producing Kilimapesa Gold Mine and processing operations located in Narok County, Kenya. The completion date for the Transaction has been changed from 28 February 2021 to 31 March 2021.

A deed of novation and royalty agreement has also been entered into by GMR and Mayflower Gold. The deed of novation relates to the transfer of all rights and obligation of GMR in the loan agreement between GMR and Kilimapesa to Mayflower Gold as described in the Company's announcement of 31 July 2020. Under the royalty agreement, GMR has the right to receive a 1% gross net smelter return royalty subject to a maximum of US\$1,500,000 on future gold produced and sold by Kilimapesa.

Completion of the Transaction remains subject to a number of conditions being satisfied including, amongst other things:

- Receipt of various regulatory approvals in Kenya;
- Approval of Kilimapesa's prospecting license;
- The completion by Mayflower Gold of the Reverse takeover of Papillon Holdings plc including a fundraising of at least US\$4 million; and
- initial consideration to be satisfied by the issue of shares to that value of US\$1,750,000 in Papillon Holdings Plc or US\$1,500,000 in cash payment to GMR;

As at 31 July 2020 GMR had lent US\$10 784 765 to Kilimapesa which will be subject to the novation agreement and during the interim period a further US\$150 000 was advanced to facilitate the conclusion of the transaction.

## **Post-Period End**

Progress can be reported subsequent to 31 December 2020 on the following:

- The installation of density separation unit at our largest milling circuit has been completed and we are currently in the process of commissioning the unit. The purpose of the unit is to increase gold recovery and margins achieved from the processing of lower grade material, containing significant amount of carbon. If successful material that previously was not commercially viable may become payable and add additional sources of material.
- Engagement with authorities is continuing on our water use license application required for future deposition of tailings;

## Outlook

We remain committed to our strategy of increasing long term visibility of earnings in the recovery businesses through key initiatives. These key initiatives include:

- improving our gold recoveries from lower grade contaminated material, effectively reducing the grade of the material we will be able to source economically. Reserves of lower grade materials are more readily available and help to alleviate the sourcing risk;
- Building strategic partnerships within the mining industry;
- Evaluating the investment into larger tailings storage facility and additional mill and leaching capacity to enable us to reprocess our current TSF; and
- Increased investment into sourcing initiatives and test work on a wider range of materials, including PGM discards.

The company's production has remained satisfactory, to date, during the second half. The profitability for remainder of the period will however remain dependent on sourcing of quality material and the gold price.

Matthew Robinson

Chairman

5 March 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Notes	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited and restated) £'000	12 months 30-Jun-20 (audited) £'000
<b>Continuing operations</b>				
Revenue		12,602	11,759	24,809
Cost of sales		(9,323)	(8,540)	(17,497)
<b>Gross profit</b>		3,279	3,219	7,312
Administrative expenses		(679)	(653)	(1,682)
Impairment loss		-	-	(295)
<b>Profit from operating activities</b>		2,600	2,566	5,335
Net finance cost		(578)	(648)	331
Sundry income		38	-	-
<b>Profit from operating activities after finance (cost)/income</b>		2,060	1,918	5,666
Taxation	6	(560)	(918)	(2,361)
<b>Profit for the period from continuing operations</b>		1,500	1,000	3,305
<b>Discontinued operations</b>				
<b>Loss for the year from discontinued operations</b>		(243)	(282)	(5,270)
<b>Profit/(Loss) for the period</b>		1,257	718	(1,965)
<b>Other comprehensive income/(expense)</b>				
Items that may be subsequently reclassified to profit/loss:				
Foreign exchange cost on translation of subsidiaries				
Exchange translation		1,031	(213)	(1,882)
<b>Other comprehensive expense for the period, net of tax</b>		1,031	(213)	(1,882)
<b>Total comprehensive income/(expense) for the period</b>		2,288	505	(3,847)
<b>Profit from continuing operations attributable to:</b>				
Owners of the Company		1,256	536	2,133
Non-controlling interests		244	464	1,172
<b>Profit for the period from continuing operations</b>		1,500	1,000	3,305
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company		1,013	254	(3,137)
Non-controlling interests		244	464	1,172
<b>Profit/(Loss) for the period</b>		1,257	718	(1,965)
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the Company		1,826	125	(4,531)
Non-controlling interests		462	380	684
<b>Total comprehensive income/(expense) for the period</b>		2,288	505	(3,847)

**Earnings per share from continuing operations  
attributable to the ordinary equity holders of the  
parent operations**

Basic earnings per share(pence)	<b>13</b>	1.48	0.64	1.27
Diluted earnings per share (pence)	<b>13</b>	1.45	0.63	1.25

**Earnings per share from operations  
attributable to the ordinary equity holders  
of the parent operations**

Basic earnings/(loss) per share (pence)	<b>13</b>	1.20	0.30	(1.87)
Diluted earnings per share (pence)	<b>13</b>	1.17	0.30	(1.87)

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



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	31-Dec-20 (unaudited) £'000	31-Dec-19 (unaudited) £'000	30-Jun-20 (audited) £'000
<b>Assets</b>				
Property, plant and equipment	7	4,132	7,401	3,900
Intangible assets	8	4,664	7,410	4,664
Right of use assets	14	375	151	356
Loan receivable		750	786	661
Investment in joint venture		1	595	1
<b>Non-current assets</b>		<u>9,922</u>	<u>16,343</u>	<u>9,582</u>
Inventories	9	11,568	7,926	6,432
Trade and other receivables	10	6,580	7,344	4,476
Cash at bank and on hand	11	1,394	2,070	3,141
<b>Current assets</b>		<u>19,542</u>	<u>17,340</u>	<u>14,049</u>
Assets in disposal groups classified as held for sale		3,380	-	3,380
<b>Total assets</b>		<u>32,844</u>	<u>33,683</u>	<u>27,011</u>
<b>Equity</b>				
Share capital	12	1,698	1,675	1,675
Share premium		11,491	11,441	11,441
Exchange reserve		(5,406)	(4,959)	(6,224)
Retained earnings		6,180	8,536	5,167
<b>Equity attributable to owners of the Company</b>		<u>13,963</u>	<u>16,693</u>	<u>12,059</u>
Non-controlling interests		3,379	2,781	3,057
<b>Total equity</b>		<u>17,342</u>	<u>19,474</u>	<u>15,116</u>
<b>Liabilities</b>				
Lease liabilities	14	77	183	145
Provisions	16	586	613	549
Deferred tax liabilities		727	549	919
<b>Non-current liabilities</b>		<u>1,390</u>	<u>1,345</u>	<u>1,613</u>
Bank overdraft	11	484	89	1
Interest bearing borrowings	15	723	1,388	1,004
Lease liabilities	14	200	266	206
Taxation		532	75	157
Trade and other payables	17	10,724	11,046	7,465
<b>Current liabilities</b>		<u>12,663</u>	<u>12,864</u>	<u>8,833</u>
Liabilities in disposal groups classified as held for sale		1,449	-	1,449
<b>Total liabilities</b>		<u>15,502</u>	<u>14,209</u>	<u>11,895</u>
<b>Total equity and liabilities</b>		<u>32,844</u>	<u>33,683</u>	<u>27,011</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 2019**

	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 2019, as previously reported	1,675	11,441	(4,830)	8,282		
<b>Total comprehensive (expense)/income for the period</b>							
Profit for the period	-	-	-	254	254	464	718
Total other comprehensive expense	-	-	(129)	-	(129)	(84)	(213)
<b>Total comprehensive (expense)/income for the period</b>	-	-	(129)	254	125	380	505
<b>Transactions with owners of the Company, recognised directly in equity</b>							
<b>Changes in ownership interests in subsidiaries</b>							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(316)	(316)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	(316)	(316)
<b>Balance at 31 December 2019 (unaudited)</b>	<b>1,675</b>	<b>11,441</b>	<b>(4,959)</b>	<b>8,536</b>	<b>16,693</b>	<b>2,781</b>	<b>19,474</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	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 2019	1,675	11,441	(4,830)	8,282	16,568	2,717	19,285
<b>Total comprehensive (expense)/income for the period</b>							
Profit/(loss) for the period	-	-	-	(3,137)	(3,137)	1,172	(1,965)
Total other comprehensive expense	-	-	(1,394)	-	(1,394)	(488)	(1,882)
<b>Total comprehensive (expense)/income for the period</b>	-	-	(1,394)	(3,137)	(4,531)	684	(3,847)
<b>Transactions with owners of the Company recognised directly in equity</b>							
Share based payment transactions	-	-	-	22	22	-	22
<b>Changes in ownership interests in subsidiaries</b>							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(344)	(344)
<b>Total transactions with owners of the Company</b>	-	-	-	22	22	(344)	(322)
<b>Balance at 30 June 2020 (audited)</b>	<u>1,675</u>	<u>11,441</u>	<u>(6,224)</u>	<u>5,167</u>	<u>12,059</u>	<u>3,057</u>	<u>15,116</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 2020**

	Attributable to owners of the Company					Non-	Total
	Share	Share	Exchange	Retained	Total	controlling	equity
	capital	premium	reserve	earnings		interests	
	£'000	£'000	£'000	£'000	£ '000	£'000	£'000
Balance at 1 July 2020	1,675	11,441	(6,224)	5,167	12,059	3,057	15,116
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	1,013	1,013	244	1,257
Total other comprehensive expense	-	-	818	-	818	213	1,031
<b>Total comprehensive income for the period</b>	-	-	818	1,013	1,831	457	2,288
<b>Transactions with owners of the Company recognised directly in equity</b>							
Additional shares from options exercised	23	50	-	-	73	-	73
<b>Changes in ownership interests in subsidiaries</b>							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(135)	(135)
<b>Total transactions with owners of the Company</b>	23	50	-	-	73	(135)	(62)
<b>Balance at 31 December 2020 (unaudited)</b>	<u>1,698</u>	<u>11,491</u>	<u>(5,406)</u>	<u>6,180</u>	<u>13,963</u>	<u>3,379</u>	<u>17,342</u>

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 2020**

Notes	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited) £'000	12 months 30-Jun-20 (audited) £'000
<b>Cash flows from operating activities</b>			
Profit/(Loss) for the year	1,257	718	(1,965)
Adjusted for:			
- Depreciation	278	437	874
- Amortisation of right-of-use assets	-		85
- Amortisation	35	-	232
- Provisions	37	(20)	(84)
- Finance income	(46)	(139)	(1,237)
- Finance costs	623	787	906
- Loss on sale of property, plant and equipment	-	13	6
- Impairment of property plant and equipment	-	-	151
- Impairment of intangible assets	-	-	1,112
- Impairment in JV	-	-	594
- Loss on sale of discontinued operations	-	-	2,218
- Foreign exchange net (gain)/loss	751	(471)	(767)
- Share-based payment expense	-	-	22
- Income tax expense	342	918	2,361
	<u>3,277</u>	<u>2,243</u>	<u>4,508</u>
Changes in:			
- inventories	(5,136)	(2,084)	(1,226)
- trade and other receivables	(2,104)	574	2,598
- trade and other payables	3,259	(229)	(1,106)
<b>Cash generated from operating activities</b>	<u>(704)</u>	<u>504</u>	<u>4,774</u>
Finance income	46	51	1,067
Finance cost	(623)	(231)	(736)
Taxes paid	(159)	(488)	(1,725)
<b>Net cash (used in)/from operating activities</b>	<u>(1,440)</u>	<u>(164)</u>	<u>3,380</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	2		9
Acquisition of property, plant and equipment	(458)	(216)	(356)
Payments/(receipts) from long term receivable	(89)	134	156
<b>Net cash used in investing activities</b>	<u>(545)</u>	<u>(82)</u>	<u>(191)</u>
<b>Cash flows from financing activities</b>			
Proceeds from drawdown of interest bearing borrowings	-	916	973
Proceeds from share options exercised	73	-	
Net (repayment) from debt factoring (included under trade and other payables)	-	-	(1,490)
Repayment of interest bearing borrowings	(142)	(77)	(394)
Interest paid on interest-bearing borrowings	(66)	-	(127)
Principal paid on lease liabilities	(88)	(50)	(151)

Interest paid on lease liabilities		(36)	(8)	(40)
Payment of dividend by subsidiary to non-controlling interest		(135)	(302)	(344)
<b>Net cash from/ (used in) financing activities</b>		<u>(394)</u>	<u>479</u>	<u>(1,573)</u>
<b>Net increase in cash and cash equivalents</b>		(2,379)	233	1,616
Cash and cash equivalents at beginning of period		3,140	1,808	1,807
Foreign exchange movement on opening balance		149	(60)	(277)
<b>Cash and cash equivalents at end of period</b>	<b>11</b>	<u>910</u>	<u>1,981</u>	<u>3,146</u>
<b>Cash flows from discontinued operations</b>		<u>113</u>	<u>11</u>	<u>5</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 2020**

### **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 2020 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.

#### **(b) Going concern**

The directors assessed that the group is able to continue in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations and thus adopted the going concern basis in preparing these financial statements.

The assessment of the going concern assumption involves judgement, at a particular point in time, about the future outcome of events or conditions which are inherently uncertain. The judgement made by the directors included the availability of and the ability to secure material for processing at its plants in South Africa and Ghana, the impact of loss of key management, outlook of commodity prices and exchange rates in the short to medium term and changes to regulatory and licensing conditions.

In reaching this conclusion, the Group also assessed the impact of the current Covid-19 pandemic might be on the business. Similar to other businesses, we have no background experience on how to manage the Covid-19 pandemic's impact on the business. Although we are seeing the rollout of vaccines across the globe the uncertainty remains over the outlook, and revisions to trade projections are likely. The sector the Group is involved in has been judged by the various governments as an essential service which ensures that material it sources could still be generated by the mining sector, supplied to its premises and processed. It further also maintained the ability to export and sell the products it produced during the Covid-19 pandemic. The Covid-19 pandemic however brought on new challenges to operating our facilities in South Africa and Ghana in a safe way for all our employees and local communities. With the assistance of relevant regulatory authorities, the Directors believe sufficient procedures have been implemented to assist in safeguarding our employees and local communities. We are, however, comfortable that these various impacts of the Covid-19 impact will not change our ability to continue in business for the foreseeable future.

### **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 2020. Three restatements were accounted for in the 30 June 2020 annual financial statements and therefore the 31 December 2019 comparative figures were also restated as part of these interim financial statements.

#### 4. Operating segments

Information about reportable segments

For the six months ended 31 December 2020 (unaudited)

	South Africa Recovery operations £'000	West Africa Recovery £'000	Mining and exploration £'000	Adminis- tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	8,243	4,359	-	-	-	12,602
Finance expense from continuing operations	(876)	(68)	-	(132)	-	(1,077)
Finance income from continuing operations	65	-	-	389	46	499
Depreciation and amortisation	(210)	(68)	-	-	-	(278)
Operating Reportable segment profit/(loss) before tax	2,108	849	-	(357)	-	2,600
Taxation	(358)	(122)	-	(80)	-	(560)
Reportable Segment assets	19,772	8,436	3,380	20,797	(19,541)	32,844
Capital expenditure	362	96	-	-	-	458
Reportable Segment liabilities	6,480	7,533	1,449	9,660	(9,620)	15,502
Loss for period from discontinued operations	-	-	(243)	-	-	(243)



For the six months ended 31 December 2019 (unaudited)

	South Africa Recovery operations £'000	West Africa Recovery £'000	Mining and exploration £'000	Adminis- tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	9,486	2,273	-	-	-	11,759
Finance expense from continuing operations	(169)	(165)	-	(365)	-	(699)
Finance income from continuing operations	10	-	-	41	-	51
Depreciation and amortisation Discontinued operations	(238)	(72)	-	-	-	(309)
	-	-	-	-	-	-
Operating Reportable segment profit/(loss) before tax	2,639	151	-	(286)	-	(2,505)
Taxation	(728)	-	-	(190)	-	(918)
Reportable Segment assets	17,288	6,765	6,745	32,057	(29,172)	33,683
Capital expenditure	356	-	-	-	-	356
Reportable Segment liabilities	7,038	6,612	10,946	6,017	(16,407)	14,206

For the twelve months ended 30 June 2020 (audited)

	South Africa Recovery operations £'000	West Africa Recovery £'000	Mining and exploration £'000	Adminis- tration £'000	Reconciliation to Group figures £'000	Group £'000
External revenues	15,900	8,909	-	-	-	24,809
Finance expense from continuing operations	(189)	(480)	-	(313)	246	(736)
Finance income from continuing operations	1,092	12	-	56	(93)	1,067
Depreciation and amortisation	(430)	(150)	-	-	-	(580)
Discontinued operations	-	-	(4,303)	(967)	-	(5,270)
Operating Reportable segment profit/(loss) before tax	6,526	(39)	-	(952)	131	5,666
Taxation	(2,018)	(117)	-	(226)	-	(2,361)
Reportable Segment assets	17,262	5,790	3,380	36,168	(35,589)	27,011
Reportable Segment liabilities	5,513	5,478	1,449	10,285	(10,830)	11,895

## **5. Seasonality of operations**

The Group is not considered to be subject to seasonal fluctuations but revenue and cost of sales does fluctuate based on the material received from suppliers and this is variable

## **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 tax charges for the period arises in South Africa and on declaration of dividends from South Africa. The effective income tax rate in GPL was 26% (six months ended 31 December 2019: 29%) and the withholding tax rate on dividends declared was 20% (six months ended 31 December 2019: 20%).

## **7. Property, plant and equipment**

During the six months ended 31 December 2020, the Group acquired assets with a cost, excluding capitalised borrowing costs of £458,000 (six months ended 31 December 2019: £356,000; twelve months ended 30 June 2020: £356,000).

## **8. Intangible assets and goodwill**

Intangible assets at the end of the period relate only to goodwill which relate to the investment held in Gold Minerals Resources Limited. The balance is supported by the combined ongoing gold recovery operations in South Africa and Ghana. During the six months ended 31 December 2020 the goodwill balance has not been impaired (six months ended 31 December 2019: £nil; twelve months ended 30 June 2020: £967,000).

During the 12 months ended 30 June 2020, the Groups mining rights and pre-production expenditure was impaired with £145,000 (six months ended 31 December 2019: £nil) and the £2,382,000 (six months ended 31 December 2019: £nil) of cost and £1,676,000 (six months ended 31 December 2019: £nil) of accumulated amortisation reclassified under disposal group classified as held for sale or other disposals. As a result the opening balance of the six months ended 31 December 2020 for mining rights and pre-production expenditure was £nil and no other changes were made during the period.

During the 12 months ended 30 June 2020, £1,464,000 (six months ended 31 December 2019: £nil) of cost relating to exploration and development assets and £726,000 (six months ended 31 December 2019: £nil) of accumulated amortisation relating to exploration and development assets were reclassified under Assets in disposal groups classified as held for sale. As a result the opening balance of the six months ended 31 December 2020 for exploration and development assets was £nil and no other changes were made during the period.

The carrying value at the end of the period was:

	Goodwill £'000	Mining rights and pre-production expenditure £'000	Exploration and development £'000	Total £'000
Carrying Amounts				
Balance at 31 December 2019	5,631	1,002	777	7,410
Balance at 30 June 2020	4,664	-	-	4,664
Balance at 31 December 2020	4,664	-	-	4,664

## 9. Inventories

	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited) £'000	12 months 30-Jun-20 (audited) £'000
Consumable stores	538	1,059	643
Raw materials	3,439	2,037	1,990
Precious metal on hand and in process	7,591	4,819	3,799
Broken ore	-	11	-
	<u>11,568</u>	<u>7,926</u>	<u>6,432</u>

## 10. Trade and other receivables

	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited) £'000	12 months 30-Jun-20 (audited) £'000
Trade receivables	5,808	5,765	3,850
Other receivables	772	1,579	626
	<u>6,580</u>	<u>7,344</u>	<u>4,476</u>

## 11. Cash and cash equivalents

	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited) £'000	12 months 30-Jun-20 (audited) £'000
Bank balances	1,394	2,070	3,141
	<u>1,394</u>	<u>2,070</u>	<u>3,141</u>
Bank overdrafts used for cash management purposes	(484)	(89)	(1)
Cash and cash equivalents in the statement of cash flows	<u>910</u>	<u>1,981</u>	<u>3,140</u>

## 12. Capital and reserves

### Issue of ordinary shares

	<b>6 months 31-Dec-20 (unaudited) No. of shares</b>	<b>6 months 31-Dec-19 (unaudited) No. of shares</b>	<b>12 months 30-Jun-20 (audited) No. of shares</b>
On issue at beginning of period/year	167,441,000	167,441,000	167,441,000
Issued during the period/year	2,333,333	-	-
On issue at end of period/year	<u>169,774,333</u>	<u>167,441,000</u>	<u>167,441,000</u>
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

	<b>6 months 31-Dec-20 (unaudited) £'000</b>	<b>6 months 31-Dec-19 (unaudited) £'000</b>	<b>12 months 30-Jun-20 (audited) £'000</b>
On issue at beginning of period/year	1,675	1,675	1,675
Issued during the period/year	23	-	-
On issue at end of period/year	<u>1,698</u>	<u>1,675</u>	<u>1,675</u>

### Dividends

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

## 13. Earnings per share

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 was based on the profit from continuing operations attributable to owners of the Company of £1,256,000 (31 December 2019: restated profit £536,000; 30 June 2020: Profit £2,133,000), and weighted average number of ordinary shares outstanding of 169,774,333 (31 December 2019: 167,441,000; 30 June 2020: 167,441,000)

### Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2020 was based on the profit from continuing operations attributable ordinary shareholders of £1,256,000 and weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 173,312,428 (31 December 2019: 168,548,000 ; 30 June 2020: 171,561,000)

## 14. Leases

During the six months ended 31 December 2020, the Group acquired right-of-use assets with a cost of £32,000 (six months ended 31 December 2019: £143,000; twelve months ended 30 June 2020: £362,000). During the six months ended 31 December 2020, the Group made lease payments to the amount of £138,000 (six months ended 31 December 2019: £135,000; twelve months ended 30 June 2020: £191,000)

## 15. Interest bearing borrowings

### Six months ended 31 December 2020 (unaudited)

	<b>Currency</b>	<b>Interest rate nominal</b>	<b>Year of maturity</b>	<b>Face value £'000</b>	<b>Carrying amount £'000</b>
Interest bearing borrowings	USD	12% plus 1 yr LIBOR	2021	723	723
Total Interest-bearing liabilities				723	723

### Six months ended 31 December 2019 (unaudited)

	<b>Currency</b>	<b>Interest rate nominal</b>	<b>Year of maturity</b>	<b>Face value £'000</b>	<b>Carrying amount £'000</b>
Interest bearing borrowings	USD	9.75% plus 1 yr LIBOR	2020	1,388	1,388
Total Interest-bearing liabilities				1,388	1,388

### Twelve months ended 30 June 2020 (audited)

	<b>Currency</b>	<b>Interest rate nominal</b>	<b>Year of maturity</b>	<b>Face value £'000</b>	<b>Carrying amount £'000</b>
Interest bearing borrowings	USD	12% plus 1 yr LIBOR	2021	1,004	1,004
Total Interest-bearing liabilities					

## 16. Provisions

	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited) £'000	12 months 30-Jun-20 (audited) £'000
<b>Environmental obligation</b>			
Balance at beginning of period/year	549	633	633
Increase in provision	55	-	19
Effect of foreign exchange movements	(18)	(20)	(103)
Balance at end of period/year	<u>586</u>	<u>613</u>	<u>549</u>

In terms of section 54 of the regulations of the Minerals Resource and Petroleum Act of 2002, in South Africa, a Quantum of Financial Provisioning is required for activities performed under mining lease. Quantum of Financial Provisioning requires a detailed itemization of actual costs relating to the premature closure, decommissioning and final closure and post closure management. The Company makes use of an independent consultant to calculate the detailed itemized actual current costs for rehabilitation and to evaluate any critical estimates and assumptions. The Quantum of Financial Provisioning has been approved by Department of Minerals Resources in South Africa. The Company has insured the obligation and has ceded the proceeds from the policy to the Department of Minerals Resources.

## 17. Trade and other payables

	6 months 31-Dec-20 (unaudited) £'000	6 months 31-Dec-19 (unaudited) £'000	12 months 30-Jun-20 (audited) £'000
Trade payables	4,055	2,734	1,573
Amounts received in advance	1,004	2,516	1,388
Accrued expenses	5,664	5,796	4,504
	<u>10,724</u>	<u>11,046</u>	<u>7,465</u>

## 18. Share options

### Reconciliation of outstanding share options

	6 months 31-Dec-20 (unaudited) Number of Options	6 months 31-Dec-19 (unaudited) Number of Options	12 months 30-Jun-20 (audited) Number of Options
Outstanding at beginning of period/year	8,666,667	5,666,667	5,666,667
Exercised during the period/year	(2,333,333)	-	-
Granted during the period/year	-	3,000,000	3,000,000
Outstanding at end of period/year	<u>6,333,334</u>	<u>8,666,667</u>	<u>8,666,667</u>

The weighted average exercise price of the exercisable options is £0.03089 (31 December 2019: £0.0313; 30 June 2020: £0.0310). The weighted average remaining contractual life of the options outstanding as at 31 December 2019 is 2 years 114 days (31 December 2019: 2 years 191 days; 30 June 2019: 1 year 271 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. Restatement

- Allocation of foreign exchange reserve to non-controlling interest

As per the Group accounting policy under note 4(b)(ii) Foreign Operations, if the foreign operation is a non-wholly owned subsidiary, the relevant proportion of the translation difference is allocated to the non-controlling interest. The 26% share of the minorities of Goldplat Recovery (Pty) Limited's translation difference that arose in prior periods on translation to GBP had not been allocated to non-controlling interest in prior periods.

- Recognition of environmental asset in the prior year

In terms of section 54 of the regulations of the Minerals Resource and Petroleum Act of 2002, in South Africa, a Quantum of Financial Provisioning is required for activities performed under mining lease. During the prior year, an assessment was made that the increase of the rehabilitation provision relates to benefits derived from historical operations. On re-assessment, it has been determined that management will get future benefit from the rehabilitation cost to be incurred, and its environmental asset have been increased to reflect the required accounting treatment. Management has assessed the useful life of the environmental asset to be 10 years and the asset is being depreciated over that term.

- Recognition of exploration and evaluation asset in the prior year

During FY 2016, Goldplat entered into an earn-in option agreement with Ashanti Gold Corp ("Ashanti") in regards with the Anumso Gold Project. On 5 November 2018, Ashanti Gold Corp ("Ashanti") provided notice to Goldplat that it intended to exercise its 51% option on Anumso Gold Project. On 27 December 2018, Ashanti informed Goldplat that it will not elect to take up the subsequent option for an additional 24% of Anumso Project. After analysis of the amount and nature of the earn-in expenditure, Goldplat has concurred that the US\$1,500,000 spend by Ashanti met the requirement for the exercise of the 51% option. As the agreement has not been finalized and the additional shares have not been issued, the issue of additional shares and the consideration for the shares of an exploration asset to the value of US\$1,500,000 were not recognized in the prior year annual report. We have subsequently evaluated the IFRS 10 indicators of control and concluded that control of the Anumso Project did pass to Ashanti on 5 November 2018 and therefore a portion of the Anumso Project should have been recognised as a disposal in the prior year.

Such figures have been restated accordingly as set out below



Statement of Financial Position  
31 December 2019

	31 Dec 2019 As originally Presented £'000	Restatement Impact £'000	Restated Unaudited 31 Dec 2019 £'000
<hr/>			
Assets			
Property, plant and equipment	7,135	266	7,401
Intangible assets	8,086	(676)	7,410
Right of use asset	-	151	151
Investment in JV	-	595	595
Equity			
Exchange reserve	(6,313)	1,354	(4,959)
Retained earnings	9,077	(541)	8,536
Non-controlling interest	3,139	(358)	2,781
Liabilities			
Deferred tax	445	104	549
Tax payable	154	(79)	75
Trade and other payables	11,190	(144)	11,046