GOLDPLAT plc

Shareholder Q&A

March 2018

Gold Recovery and Mining Development

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The attached information comprises a transcript of a telephone question and answer session held on 9 March 2018.

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Strategic / Group questions:

Can you briefly answer the question "why is the share price so low and apparently undervalued?"

"Low" is a relative concept! Relative to the past 5-year highs, it is indeed low, but against the same period lows it is high! Even with a three-year view, it has performed well. One has to look at it in context and in relative terms. Don't forget that when Goldplat was at its all-time highs, so was the gold price, and whereas we underperformed gold in the declining price environment, Goldplat has outperformed gold over the past three and the past one year. Having said that, most analysts would agree that Goldplat is undervalued compared to its peers. I believe that the Rand Refinery dispute created a lot of uncertainty, justifiably, and created an overhang on the share price. That is now behind us and since announcing the full and final settlement, and the fact that Rand Refinery paid Goldplat Recovery an undisclosed amount, the Goldplat share price has increased nicely. Furthermore, I believe that the market is waiting to see sustained improvements at Kilimapesa. It's also been a tough time for junior gold equities generally and I believe that there are signs of this improving.

Do we have profit forecasts for this year – or have I missed them?

When will the WH Ireland brokers' note be available on the Goldplat Website?

There are forecasts in both the VSA research posted on our website as well as in our recent corporate presentation posted on the website. Our new broker, WH Ireland, published forecasts in their initial coverage research, which you can sign up to receive using a link on our website. It seems that post the new Mifid II rules (which came into play end December 2017), WH Ireland's research will only be available to accredited "Professional Investors" and so we are currently trying to determine how to make some form of research available to non "professional Investors". This might include engaging in independent research.

Could you talk a bit about the assumptions that go to the WH Ireland forecasts and your plans to hit those?

The WH Ireland production assumptions show a steady increase in production over the next couple of years, excluding any major acquisition of a mine. They have primarily factored in the Kilimapesa production expansion as per where we are now, the 5,800oz forecasts for this year and Stage 3 of the current expansion programme. The rest of their increased production will be coming primarily from our recovery operations by increasing our client base and processing capacity, particularly in Ghana. We are comfortable that we will be able to achieve this.

What do you think is the intrinsic value of the Goldplat share price?

Our previous broker had a target price of 17p and WH Ireland's target price is 15.3p. That is almost double where we are now gives a one-year target for the Company.

Goldplat is targeting 50koz from recovery operations – where do you plan to generate most of the increase of production from?

The roughly 10,000 ounces, or 25% increase, is targeted primarily from the Ghanaian operation, and within GRG, we expect the growth to come from increased imports from across Africa, especially West Africa, as well as from South America.

Goldplat is targeting 50koz from primary mining – how much of this would be from process improvements or brownfield development at Kilimapesa and how much would be from additional projects or mines that may be acquired?

Production growth at Kilimapesa is likely to be small. In Goldplat's hands I would expect that Kilimapesa is unlikely to produce more that about 15,000 ounces per annum. Stage 3 of the current expansion plan, if given the go-ahead, will only increase production to around 8,000 ounces per annum. The rest of the strategically planned growth will be from acquisitions.

How much of the 32,000oz of stock is owned outright and is this represented by the £1.9m inventory?

All of the 32,000oz stock is owned outright, and this is represented in the $1.9m raw material stock reported.

How has the 32,000oz been valued in our accounts?

It is valued at cost, which includes the cost of purchasing the material plus the transport cost of getting that material onto site.

Are there any stocks in Ghana, and is some of this in the 32,000oz?

The 32,000oz refer specifically to the material that will be processed through the carbon-in-leach circuit in South Africa, so none of the raw materials relate to materials in Ghana. The Ghana inventory is reported under our gold bearing material, under previous metals on hand and in process.

Whereas profits from operating activities in the interim period increased by 56%, profit before tax decreased by 39% to GBP832,000. What is the reason for this?

The net finance cost for the period was GBP746 000. This includes GBP438,000 unrealised foreign exchange losses between intercompany. It sounds rather bizarre but due to intercompany loans being in United State Dollars, and the reporting currencies of different companies in the group not moving the same against the dollars, foreign exchange movements on intercompany loans is reflected in consolidated accounts. What is important to note is that it is unrealised and will change up and down as currencies fluctuate.

What is the unrealised currency loss showing up in the cash flow statement?

Fluctuations in the foreign currency have always been shown in the cash flow statement and the unrealised portion has not been taken out. If you look at the cash flow statement, you should take the unrealised portion out and not just see it as a cash flow movement but see it as non-cash flow. We will change how this is presented at the year end to make it clearer for investors.

The last set of accounts show a large increase in other receivables vs trade receivables compared to prior periods? Could you explain what other receivables represents?

Other receivables include GBP6 775 879 of provisional sales (material delivered to refiners not yet invoiced). The was unusually high in Ghana at end of December, as this are normally invoiced before closing and moved to Trade Receivables. To be noted is that trade receivables has been reduced with the addition GBP330 000 with the increase in bad debt provision.

The Feb /Mar 2018 Corporate Presentation contains graphs for a 'Gross Profit' figure however this doesn't appear to line up with any of the figures given in previous years' Annual Reports and is significantly lower than the gross profit figure declared in those reports – how is this figure defined in this presentation?

I have to apologise for this as it is a mistake in our presentation. The title of the graph, which I assume you refer to (on page 14 of the presentation) is "Gross Profit" but numbers represent "Profit before tax". This graph has been updated and a correct version, which shows the "Gross Profit numbers" can be found on our website.

Admin costs increased dramatically during the period to 31 December 2017 – can you elaborate on why this happened?

The bad debt provision was increased during the period, resulting in an increase in administrative costs. Excluding the movement in bad debt provision, the administrative cost is in line with prior periods.

The terms of the settlement agreement with Rand Refinery were not disclosed other than to say that Rand Refinery paid Goldplat Recovery "an undisclosed amount". Assuming then that there will be provisions for bad debt, when will this reflect in the accounts and how will it reflect?

As a memorandum of understanding was signed before 31 December 2017, we needed to provide for any balance of the receivable we will not be able to collect. The full balance of the potential write-off at the end of December 2017 was therefore already reflected under administrative cost in the interim numbers.

Rand Refinery have indicated that they have suffered issues in the report, now that they have had personnel changes do you think the relationship will be better going forward?

I'm not entirely sure what issues are being referred to – I can only comment on those which we have seen, and which have affected us, which have of course been significant, and we have reported them very openly and honestly. We think the CEO is a very good person and with the issues behind us now, we have made a commitment to each other as two parties to endeavour to work better together. Being so proximal and being able to deal with each other's materials better than anyone else can, it makes sense that we work hard to make the relationship work. We will never get into the situation that we send everything solely to them again, but to the extent that things are mutually beneficial we are optimistic for a positive working relationship going forward.

Has the use of the five-month pipeline at Aurubis been reduced now with increased elution and backlog clearance?

There are a number of elements to this this question. First of all, the elution plant that has been installed in Ghana will change things to some extent. Furthermore, the ability to do some business with Rand Refinery having settled our previous dispute might have some impact. It is important to note that what happened with Rand Refinery, in terms of their operational issues and the dispute we had with them, meant we had significant single-refiner risk which we hadn't identified as being a risk five to ten years ago. As a result of this we now have built relationships and have pipelines with a number of different refiners, which means that almost any one of our products can go to at least two different refiners giving us a lot of flexibility. With regard to Aurubis, we want to maintain an active pipeline of work with them and whilst the quantities might be different we want to continue to keep that relationship going.

In the end, the amount of material we process on a monthly basis is more than what our elution plant can take, so we will always have a relationship with refiners, we currently have three that we can send material to. In refinery terms, the time for material to be smelted is normally 90-120 days. We have facilities available whereby we can pre-finance any of those deliveries based on the gold content to assist with our working cash flow and obviously a lot of this we also push down to the supplier, the mine, whereby the mine needs to wait longer for the material for the cash to be paid to them. Therefore, a lot of its being financed by the mine as well, but over the past year and a half we've utilised the pre-finance facility to get the cash upfront to pay the supplier quickly to ensure a better turn-around time from them in terms of materials. We don't think the problem is going to go away, in terms of the five-month pipeline, but we think we've got efficient processes in place so that the working capital won't become an issue – it's part of the business and we need to manage it.

Has the Scipion facility been repaid and re-accessed again?

We repaid GBP505,000 of the Scipion facility during the 6 months ending December 2017. Subsequent to December 2017 we have drawn down USD500,000 in the third quarter of this financial period to finance the completion of the elution project in Ghana which will be repaid over 12 months. The payment of this facility is structured as a revolving credit facility, so if we have projects out there that will benefit from capital investments we will continue to utilise this facility and aggressively pay the loan off with the given 12-month time frame

How do you plan to attract more institutional investors?

Around 85% of our investment base is currently retail, with a couple of bona fide institutional investors on our shareholder register. We are of course committed to building our institutional presence, but we probably won't attract new institutional investors until we have some kind of a liquidity event, which will arise if we find something in which we need to invest capital in such as an acquisition. We don't think we're likely to raise capital at current levels, somehow 10p level feels like a critical mass level for our current investors. That being said, if we were to find the right acquisition, which is value accretive at the current equity prices, then we think most investors will be very happy for us to go-ahead and raise the capital. If the deal is of such a size that is attractive to institutional investors, then we'll bring them in; being a small company, it is difficult to attract the larger institutional investors, but if we were to do the kind of deal that we envisage, then we would hope to bring in more institutional investors.

If you do raise equity, will existing shareholders be able to buy in?

I have no reason to think that existing shareholders wouldn't have the opportunity to be able to buy in to a potential equity raise.

Are share buy backs worth considering?

Share buy backs are always worth considering if a company has excess cash and no defined use of the cash which would add value. It is our opinion that a small cap company with ambitious growth plans is better investing in growth; as shareholders are aware we have spent the past year or so investing in infrastructure and it is now our plan to invest in growth. Share buy-back schemes are something we always consider but at present we see merit in spending money on supporting the development of our company.

Most of the planned CAPEX projects are completed now. What do you plan to do with the cash?

Currently, at Kilimapesa the Stage 3 expansion is in the pipeline as well as several other projects including the move to grid power. We believe that there are quite a few capital projects that are going to arise in the normal course of business so in the mid-term, there will be a number of ways that any spare cash can be utilised.

Can you build a cash pile to ensure that when a mine becomes available, debt will be lower for acquisition?

Absolutely. We are committed to building a cash pile and will always look to determine the best way to finance an acquisition at the time. It would depend on the nature of the acquisition, whether it is appropriate at the time to raise equity, whether we can raise debt or what kind of mix of equity and debt is appropriate, but undoubtedly it is always nice to have cash as it gives us a lot more flexibility and bargaining power with respect to deals.

Now the turnaround of the company is effectively complete, are you confident the previous issues are in the past now?

Not entirely sure what issues are being referred to here, but we have successfully implemented a number of growth initiatives at all of our operations in the past three of so years to ensure we have strong foundations to build production and profitability. In South Africa, we have resolved the Rand Refinery issue, which is a great achievement, and a focus in the past few years at both of our recovery operations has been on removing the single refiner risk and sourcing quality material. We have made very positive progress in this respect, especially with our international expansion efforts in Ghana, with quality material now being received from South America and West Africa. Looking at our primary mining activity, Kilimapesa is a growth story; we are focused on making the plant operate efficiently and the mine producing enough high grade ore to feed the plant to ensure operational profitability. The success we have had to date in this regard is a significant achievement compared to previous years at the mine.

What steps should the Company take to close the gap between the market price and its intrinsic value?

As a company, we've had a couple of overhangs on our share price. The first was the Rand Refinery issue, which we have now put behind us and the second is the Kilimapesa constant loss-making situation up until the last year and we're well advanced in addressing that issue. Resolving these issues should have a positive impact. Aside from this, it is a matter of delivering on our growth plan. We have a solid team, a coherent strategy and we've laid strong foundations for growing the company. Now the market needs to see numbers out there in black and white and we will deliver that.

If intrinsic value is growing and the share price does not reflect this, does it not make sense to do share buy backs?

If my opinion on the overhangs is sound and valid, then we should see value moving towards where we see an intrinsic value in the near-term. If we deliver sustainable results at the likes of Kilimapesa, we think we are going to close that gap. We will, from time to time, look to see if we've got excess cash, which would be a fantastic position to be in, and if we do we will consider buy-backs, but right now its not what we are planning. We continue to revisit this situation at Board meetings.

Gold Recovery Limited ('GPL'), South Africa

There was – some time ago – mention that a tailings pond owned by Goldplat was analysed to contain gold, uranium and silver of considerable amount. Samples of its content were sent to one of South Africa's universities to see how economically the various precious metals could be extracted. I have not heard of any update on this.

We have communicated to the market that the university concluded all the laboratory test work and that we will now start the pilot plant test programme on the refurbished flotation circuit at GPL. We expect the first results in Q3 FY 2018.

The Feb /Mar 2018 Corporate Presentation states "Trial project underway for Platinum Group Metals" – could you give some more background on this? What are the economics of this – availability of material? Processing changes? Capex? Would this be incremental production or simply give more flexibility/security over material sourcing?

As we have previously stated we have always been producing some PGM's however the volumes are much lower and therefore we believe this is an area where we can really make progress by increasing the current amount of PGM ounces we produce that will at the end of the day give us more diversification when it comes to the different by products from the mining industry. As example we will be working on a trial for a large PGM smelter in South Africa and we are waiting for the different samples to arrive at our site so that the testwork can commence. We believe there is plenty of material available but we have to first proof that economic viability of processing these. Fortunately, our circuits at GPL are very flexible and hence we do not require major changes to the flow of the circuit hence the processing costs will remain much the same as for the gold by products. Should there be any capex required we expect it to be minimal at this stage unless we identify a source of PGM by products that is in ample supply and that require a new specific process where the ROI is very short.

Has GPL ensured that the land it operates on in Benoni, is not considered as land suitable for expropriation without compensation. In light of the latest moves by the South African Government?

There is a lot of political rhetoric at the moment, and it remains just that. GPL has all necessary ownership, titles, permits etcetera over the land on which the company operates. We cannot speculate as to what might happen going forward and what might be "suitable for expropriation…". GPL is 26% owned by our BEE partner and it is a successful, technically challenging, profitable, job-providing, tax-paying, good corporate citizen.

If Goldplat get permission to use Westpit 3 for future tailings how soon would the tailing re-processing on Benoni be in production and what would be the ballpark CAPEX required to do so? Would this be incremental production or would it replace production from externally sourced material?

The permission to use West Pit 3 will come from different regulatory departments one of which is the Department of Mineral Resources (DMR), Department of Water and Sanitation (DWS) etc. Each will give us their guidelines and specifications relating to deposition into the pit which we will then study and incorporate into our final design. Where we disagree we will provide those departments with alternative solutions and once everything is finalised we will then start preparing the pit for deposition. This process can take anything from 3 to 6 or even 12 months if we need to convince DMR and DWS on alternative solutions but we hope between 3 to 6 months. The production from reprocessing the TSF will be additional production to the current production as the current production will continue as is.

What is the planned rate of processing for the stock dam?

The planned processing rate for the stock dam is still to be determined with work currently underway in support of this; test work is being conducted to optimise recoveries and we are yet to finalise the design and plant processes and secure the final stock tailings dam. We have integrated the carbon in leach circuit, which has been designed specifically for use in reprocessing the stocks dam, into our existing circuits to improve recoveries and efficiencies. As such, the entire plant processes need to be implemented and planned together.

Can the stock dam be processed where it is with new tailings going into the pit when allowed?

Yes, it can. There are various different ways we can get that done.

Gold Recovery Ghana ('GRG'), Ghana

Is there any scope for expanding the existing site in Tema, Ghana, by the purchase of adjacent property to enable the business to grow further?

The footprint in Tema is large enough to cater for foreseeable expansion. Since cessation of Carbon-in-Leach processing and associated tailings deposition on the site, we have been removing the tailings and rehabilitating the area ,which was probably about 2/3 of the site. This process is close to complete other than for final ground preparation, which would have to take place ahead of any construction on the site. That said, if we were to enter into any expansion, which could not be catered for on the existing site, we would most likely seek a new site.

Any comment on the potential artisanal clean-up project in Ghana?

It is a great opportunity for Goldplat to be promoted as an environmentally aware company where we can assist in the clean-up of environmentally hazardous materials. Ghana has had a huge amount of contamination from artisanal mining and the government is very serious about cleaning this up. We are delighted to have been approached by the government to assist in these efforts. To date, we have assessed an extensive area of land and identified tailings that we could reprocess and have acquired a small pilot plant which was shipped to Ghana late 2017. To ensure the clean-up operation is conducted in the best way for the industry as a whole, a three-pronged approach is needed to coordinate the restart of planned small-scale mining efforts, Goldplat's reprocessing and the government's rehabilitation of the land. A steering committee, which includes a Goldplat representative, has been established to investigate this coordinated approach and we will continue to support these efforts and discussions.

Kilimapesa Gold Limited ('Kilimapesa'), Kenya

Is the electrification of Kilimapesa going ahead?

Yes, it is; we've been doing a lot of work on finding a more cost-effective route to grid power and we are currently in the process of engaging a company to begin the work. We don't have a fixed cost or time line on this yet, but progress is being made.

Has the Kenyan Government made any further progress on the planned ceding of 10% of Kilimapesa Gold to a state entity?

No, however there has been an election process, a change of cabinet and a new Cabinet secretary appointed (Minister of Mines and Petroleum) whom we have not yet been able to meet but hope to meet shortly. I think that it is fair to say there has been a marked increase in agitation across Africa over the past few years with regards to "resource nationalisation". And whereas this related to "taking more of the spoils of the market" from 2002 to 2012, a lot of it now has to do with electioneering as well as significant regime change, which have, by-and-large, been for the good.

Any progress on a new mine / future mining opportunities? Do you have a short list of projects you are looking at?

We are actively assessing and in discussions regarding a number of potential development opportunities, but nothing is at an advanced stage at present. We want to ensure that we acquire quality ounces / the best development opportunity for our company.

Any local initiatives in Migori by Kilimapesa to support the plant feedstocks, such as artisanal material?

We do acquire artisanal material to feed Plant 1, which runs almost exclusively on artisanal material, and we are trying to run the new Plant 2 on fresh ore from the underground mine. We always have been and probably will continue to acquire artisanal material for as long as Plant 1 is operational and when we can acquire material at a good grade and a cost-effective price. Looking at the wider region, in Migori, most of the licence areas adjacent to us are under dispute with the Government, as such there is not much opportunity for us there until the dispute is resolved.

Is all production at Kilimapesa eluted now and not concentrated?

We are still producing concentrates at Kilimapesa, some of which are shipped down to South Africa. Last year, we got permission from the government to export concentrate four times a year, where previously we were only exporting once a year. This has dramatically improved our cash flow position.

If you have any questions you would like to ask Goldplat, please send them to St Brides Partners who will be compiling a list on behalf of the Company:

shareholderenquiries@stbridespartners.co.uk