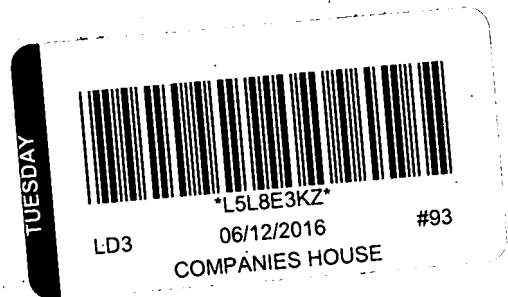


Registered number: 05340664

**GOLDPLAT PLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**



# **GOLDPLAT PLC**

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# **GOLDPLAT PLC**

## **COMPANY INFORMATION**

|                                    |                                                                                          |                                                                                                                            |
|------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Directors:</b>                  | Gerard Kisbey-Green<br>Brian Moritz<br>Ian Visagie<br>Hansie Van Vreden<br>Nigel Wyatt   | Chief Executive Officer<br>Non-Executive Chairman<br>Finance Director<br>Chief Operating Officer<br>Non-Executive Director |
| <b>Company secretary</b>           | Stephen Ronaldson<br>55 Gower Street<br>London WC1E 6HQ                                  |                                                                                                                            |
| <b>Company number:</b>             | 05340664                                                                                 |                                                                                                                            |
| <b>Registered office:</b>          | 55 Gower Street<br>London WC1E 6HQ                                                       |                                                                                                                            |
| <b>Nominated adviser:</b>          | Grant Thornton UK LLP<br>30 Finsbury Square<br>London EC2P 2YU                           |                                                                                                                            |
| <b>Broker:</b>                     | VSA Capital Limited<br>New Liverpool House<br>15-17 Eldon Street<br>London EC2M 7LD      |                                                                                                                            |
| <b>Solicitors:</b>                 | Ronaldsons Solicitors<br>55 Gower Street<br>London WC1E 6HQ                              |                                                                                                                            |
| <b>Registrars:</b>                 | Share Registrars Limited<br>The Courtyard<br>17 West Street<br>Farnham<br>Surrey GU9 7DR |                                                                                                                            |
| <b>Financial public relations:</b> | St. Brides Partners Ltd<br>3 St Michael's Alley<br>London EC3V 9DS                       |                                                                                                                            |
| <b>Auditors:</b>                   | Moore Stephens LLP<br>150 Aldersgate Street<br>London<br>EC1A 4AB                        |                                                                                                                            |
| <b>Website:</b>                    | <a href="http://www.goldplat.com">www.goldplat.com</a>                                   |                                                                                                                            |

## **GOLDPLAT PLC**

### **OVERVIEW**

#### **FOR THE YEAR ENDED 30 JUNE 2016**

- Goldplat continued to strengthen its market-leading gold recovery operations in South Africa and Ghana, whilst making progress on the geographical diversification of these businesses into Africa as well as into South America
- Management approved plans for a plant expansion at Kilimapesa with the aim of increasing production rates and operational profitability during the 2017 financial year
- The Company produced 37,666 ounces of gold during the year (FY 2015: 30,524 ounces)
  - Significant increase in production from recovery operations to 35,661 ounces (FY 2015: 28,246 ounces)
  - Kilimapesa mine produced 2,005 ounces (FY 2015: 2,278 ounces)
- Actual sales were 40,763 ounces (FY 2015: 24,904 ounces)
  - Gold sold for own account was 27,538 ounces (FY 2015: 21,181 ounces)
  - Gold transferred to clients was 13,225 ounces (FY 2015: 3,723 ounces)
- Multiple cost improvement initiatives and investment in infrastructure to improve operational efficiencies, resulting in increased profitability and return to positive cash flow
- The management team was strengthened across all operations to align skills and experience with Company strategy in order to build on profitability and spearhead new development opportunities
- A new Chairman, Matthew Robinson, was identified and is to be proposed at the AGM

### **Financials**

- Operating profit of £1,172,000 (2015: loss of £711,000)
- Profit before tax of £1,942,000 (2015: loss of £796,000)
- South African recovery business continued to perform well and increased its operating profits to £1,777,000 (FY 2015: £1,090,000)
- Gold Recovery Ghana showed the strongest turnaround performance, turning an operational loss in FY 2015 of £641,000 into an operational profit of £437,000 for FY 2016
- Kilimapesa gold mine reported a net loss of £711,000 for the year (FY 2015: loss of £753,000) – operational constraints are now being addressed with mining and treatment capacity being increased during H1 FY 2017 which aims to return the mine to profitability
- Net cash position of £2,056,000 as at 30 June 2016 (2015: £630,000)
- Increase in revenue of 21% whilst cost of sales increased by 10% year on year
- Gold sold on own account increased by 30% to 27,538 ounces (FY 2015: 21,181 ounces), which is reflected in increased Group sales

## GOLDPLAT PLC

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

Goldplat's portfolio of assets consists of gold recovery operations in South Africa and Ghana, a gold mine in Kenya and exploration projects in Ghana and Burkina Faso.

It is a pleasure to be able to report an improvement in both the production and profitability of Goldplat, led by the recovery operations. These operations not only increased profitability but also returned to positive cashflow generation, which enabled the Group to finance significant capital projects internally and to strengthen the balance sheet, without resorting to external capital raising. In turn this has enabled us to commence the expansion of Kilimapesa which is needed to make the mine profitable.

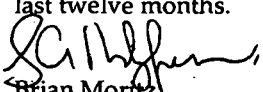
In my previous Chairman's Statement I noted that the gold price during FY 2015 averaged US \$1,229/oz. During FY 2016, the gold price averaged US \$1,167/oz. During the first quarter of the current financial year the gold price seems to have settled at above US \$1,300/oz, and expert opinion expects it to strengthen further, which would be excellent news for Goldplat.

Along with continued cost improvement initiatives, it is pleasing to note that the Group has placed renewed focus on increasing management skills as well as international diversification. These strategies should ensure sustainable growth in the business going forward. I believe that the turnaround strategy being implemented at the Kilimapesa mine, as well as the planned diversification into South America and West Africa, are fundamental to sustained growth and will stand the Group in good stead, even in tough market conditions. Goldplat is now targeting a period of renewed growth, having re-invested in infrastructure and equipment, and strengthened its management team, as well as its financial situation.

During the year Goldplat appointed Grant Thornton as its Nominated adviser, replacing SP Angel. VSA Capital remains as Broker to the Company.

This is my last report as Chairman of Goldplat. Having held that role for 10 years since the flotation of the Company and also having reached 80 years of age recently, I am retiring at the conclusion of the AGM convened for 27 October 2016, and, subject to the approval of shareholders, handing over to Matthew Robinson. With over 12 years' experience in mining and resources and more than 15 years working as a corporate adviser, Matthew has excellent credentials and I wish him and the Board of Goldplat every success going forward. I believe that I am handing over a company in good shape and well placed for the future.

Finally, I would like to thank the management and staff for all their efforts on behalf of Goldplat over the last twelve months.

  
Brian Moritz

Chairman

26 September 2016

## **GOLDPLAT PLC**

### **OPERATIONS REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2016**

In Goldplat's 2015 annual report I said that we had laid the foundations for a turnaround of the Group's performance and a return to operational robustness and profitability. In FY 2016 we have laid the foundations for growth and diversification. I am pleased to report that all the initiatives of FY 2015 as well as those for the first half of FY 2016 have borne fruit, resulting in a marked return to profitability and a more robust balance sheet. The Group produced 37,666 ounces of gold during the year (FY 2015: 30,524 ounces). This reflects a marked increase in production from recovery operations to 35,661 ounces (FY 2015: 28,246 ounces), whilst Kilimapesa produced 2,005 ounces (FY 2015: 2,278 ounces).

The Group spent £1,284,000 during the period, largely financed internally, on a comprehensive programme to refurbish and replace obsolete plant and to acquire new infrastructure and equipment. The majority of the projects begun in FY 2015 were completed during the first half of FY 2016.

With the completion of most of these capital programmes, the Group turned to a new set of priorities during the second half of the year:

- i. to focus on the material procurement function, which included appointing appropriate staff across all operations, broadening the geographic sources and diversity of materials acquired, and re-defining the Group's procurement contract structures to more accurately reflect its business and the prevailing economic landscape;
- ii. to focus on the potential business opportunities we believe are available in South America. This has included establishing relationships with local partners, appointing a team to take this initiative forward, and the trial processing of sample material at our plant in Ghana; and
- iii. the Board approved a plan which aims to return Kilimapesa to profitability during FY 2017. We believe that this, and potential investment opportunities currently being considered with third parties, will significantly strengthen the Group.

A major risk identified during the previous financial year was the Group's historical relationship with only one refiner, Rand Refinery, which we termed the "single refiner risk". In the year under review Goldplat identified and subsequently formalised relationships with a number of international refiners to both process concentrates and refine dore gold. Aurubis Refinery in Germany was used during the year to assist in processing the backlog of concentrate stock that had resulted from difficulties experienced with Rand Refinery during FY 2015.

#### **AREAS OF STRATEGIC FOCUS**

During 2016, strategic sourcing was identified as a critical area for the Group. A new Strategic Sourcing Manager was appointed in South Africa and the decision was taken to move the Sourcing Manager in Ghana to South America (with a new Ghanaian Sourcing Manager appointed). A Kenya Sourcing Officer has also been appointed to focus solely on sourcing tailings in country.

## **GOLDPLAT PLC**

### **OPERATIONS REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

During the year a number of exploratory visits were undertaken to South America to determine the potential for business – initially to source material for processing through the Group's existing recovery operations in Africa, but also to determine the potential for establishing a recovery operation in South America. A potential Brazilian business partner has been identified, who has extensive knowledge of, and experience within, the South American mining sector. Goldplat expects to finalise contractual arrangements with him in early FY 2017. Initial introductions provided by the Brazilian contact have led to a number of meetings with potential future clients, and to the first sample batches of materials, for testing, being shipped to Ghana, where they were found to be profitable. Logistics, regulatory hurdles, infrastructure and administrative requirements are being determined and we have identified a new Manager to oversee our South American operations who is expected to be appointed early in FY 2017. This Manager will determine the optimal way to take a potential South American business forward and significant progress is expected during FY 2017.

Kilimapesa has been loss-making during the year primarily due to plant throughput capacity constraints at its original treatment plant. A decision was taken by the Board to increase processing capacity and production in a staged process, with the aim of bringing Kilimapesa to operational profitability. The initial stage being to erect a new processing facility and tailings deposition site near the Kilimapesa Hill mining operation which will increase processing capacity to 3,000 tonnes per month. The original treatment plant will continue to be used to process high grade artisanal tailings for as long as the existing tailings facility has capacity or until an economically viable means of transporting tailings to the new facility is found. In order to meet the increase in underground production, a mechanised loader has been ordered for the mines. Site preparation for the new treatment plant was largely completed during FY 2016 and construction and installation is expected to be completed during the first half of FY 2017.

#### ***GOLD PRODUCTION AND SALES***

The table below provides a summary of gold (and gold equivalent) production and sales for FY 2016, with comparisons to FY 2015. Gold equivalent ounces have been included, as a significant amount of silver was produced during the year, mainly as a result of the silver toll-treatment contract undertaken for the Rand Refinery. During the year overall production was 37,666 ounces (FY 2015: 30,524 ounces) and actual sales were 40,763 ounces (FY 2015: 24,904 ounces). Gold sold on the Group's own account was 27,538 ounces (FY 2015: 21,181 ounces) and that transferred to clients was 13,225 ounces (FY 2015: 3,723 ounces). The difference between gold sold and gold produced (3,097 ounces) reflects the decrease in locked up concentrate stocks which accumulated during the previous financial year.

During the year the Group undertook a toll processing contract with Rand Refinery which yielded 3,700 kg of silver (1,593 of gold equivalent ounces) and 1,350 ounces of gold. Although a dispute has arisen between the two companies regarding payments against certain invoices, Goldplat is confident that the dispute will be resolved in FY 2017.

**GOLDPLAT PLC**

**OPERATIONS REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

| <b>Goldplat Plc Consolidated</b>            | <b>FY 2016 Total<br/>Equivalent<br/>Gold<br/>kg</b> | <b>FY 2016 Total<br/>Equivalent<br/>Gold<br/>oz</b> | <b>FY 2015 Total<br/>Equivalent<br/>Gold<br/>kg</b> | <b>FY 2015 Total<br/>Equivalent<br/>Gold<br/>oz</b> |
|---------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>Gold Equivalent Production</b>           |                                                     |                                                     |                                                     |                                                     |
| Goldplat Recovery *                         | 895                                                 | 28,778                                              | 688                                                 | 22,135                                              |
| Gold Recovery Ghana                         | 214                                                 | 6,883                                               | 190                                                 | 6,111                                               |
| Kilimapesa Gold                             | 62                                                  | 2,005                                               | 71                                                  | 2,278                                               |
| <b>Total</b>                                | <b>1,171</b>                                        | <b>37,666</b>                                       | <b>949</b>                                          | <b>30,524</b>                                       |
| <b>Gold Equivalent Sold</b>                 |                                                     |                                                     |                                                     |                                                     |
| Goldplat Recovery *                         | 516                                                 | 16,575                                              | 514                                                 | 16,530                                              |
| Gold Recovery Ghana                         | 279                                                 | 8,964                                               | 80                                                  | 2,578                                               |
| Kilimapesa Gold                             | 62                                                  | 1,999                                               | 64                                                  | 2,073                                               |
| <b>Total</b>                                | <b>857</b>                                          | <b>27,538</b>                                       | <b>658</b>                                          | <b>21,181</b>                                       |
| <b>Gold Equivalent Transferred</b>          |                                                     |                                                     |                                                     |                                                     |
| Goldplat Recovery*                          | 411                                                 | 13,225                                              | 116                                                 | 3,723                                               |
| <b>Total</b>                                | <b>411</b>                                          | <b>13,225</b>                                       | <b>116</b>                                          | <b>3,723</b>                                        |
| <b>Gold Equivalent Sold and Transferred</b> |                                                     |                                                     |                                                     |                                                     |
| Goldplat Recovery                           | 927                                                 | 29,800                                              | 630                                                 | 20,253                                              |
| Kilimapesa Gold                             | 62                                                  | 1,999                                               | 64                                                  | 2,073                                               |
| Gold Recovery Ghana                         | 279                                                 | 8,964                                               | 80                                                  | 2,578                                               |
| <b>Total</b>                                | <b>1,268</b>                                        | <b>40,763</b>                                       | <b>774</b>                                          | <b>24,904</b>                                       |

\* The gold kilograms and ounces reported for FY 2016 includes gold equivalent silver and other precious metals ounces produced and sold in the normal course of business. The gold produced and transferred also include 1,350 oz of gold and 1,593 equivalent gold oz of silver produced and transferred during the Rand



## **GOLDPLAT PLC**

### **OPERATIONS REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

Refinery silver sulphide tolling project. The kilograms relating to intercompany sales between Gold Recovery Ghana and Goldplat Recovery are not reflected in the above production and sales figures.

#### **GOLDPLAT'S RECOVERY OPERATIONS**

Goldplat recovers precious metals, primarily gold and silver but also platinum group metals ("PGM's"), from by-products of the mining industry and gains its competitive advantage from a combination of the diversity and flexibility of its treatment circuits, which make possible the recovery of metals and concentrates from these by-product materials, the strategic geographic locations of the Group's plants, and the extensive depth of knowledge and experience of its longstanding team.

Goldplat sources by-products from the mining and related industries; these include, coarse and fine carbon, woodchips, rubber and steel mill liners, grease, concentrate bags, surface materials and rock dumps. The Group also assists in plant clean-up operations. These materials typically present an environmental risk and cost to producers but can become a source of precious metals and revenue when processed by Goldplat. Clients include most of the significant gold producers, an increasing number of PGM producers, and a number of refineries requiring the processing of concentrate materials prior to final refining as bullion.

#### ***Goldplat Recovery (PTY) Limited – South Africa ("GPL")***

GPL is a well-established operation based near Johannesburg in South Africa, serving clients within South Africa as a Responsible Gold Producer fulfilling the requirements set out by the London Bullion Market Association. The Company's facilities include crushing, milling, thickening, wash plants, carbon-in-leach ('CIL'), elution, incineration, flotation, spiralling and shotblasting.

During FY 2016 GPL produced 28,778 ounces of gold and gold equivalent (FY 2015: 22,135 ounces of gold) of which 16,575 ounces were for its own account (FY 2015: 16,530) and 13,225 ounces were transferred to clients' metal accounts (FY 2015: 3,723 ounces). The difference between the total gold sold and transferred, and the gold produced (1,022 ounces), represents the reduction during the year of the backlog of concentrates built up during FY 2015.

Focus at GPL during FY 2016 was on completing the numerous capital projects, eliminating the single refiner risk and further improving the sourcing function. Excellent progress was made in all of these areas of strategic focus.

Capital projects completed during the year included: the installation of a 4-tonne elution column and its associated infrastructure, the completion of a JORC-compliant resource statement on the tailings storage facility, a new woodchip wash plant, a liquid cyanide storage facility, a replacement mill for the low grade circuit, a new pumping station for the tailings re-treatment CIL circuit, a new on-site weigh bridge and a carbon regeneration kiln. All of these projects were internally funded and are making significant improvements to costs and / or efficiencies.

The highlight of the year was the successful installation and commissioning of the 4-tonne elution column. A used plant consisting of three 4-tonne elution columns and the associated equipment was acquired from DRD Gold Limited during FY 2015. The first of these columns was successfully installed and commissioned at GPL during the six-month period ended 31 December 2015. This increased the plant's elution throughput capacity from approximately 1.5 tonnes per day to 8 tonnes per day. Not only has this

## **GOLDPLAT PLC**

### **OPERATIONS REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 30 JUNE 2016**

enabled the rapid reduction of backlog stocks, it has also provided the flexibility and capacity to source and process additional material from within South Africa and internationally.

During FY 2016 a Competent Person was engaged to complete a JORC-compliant Resource Statement for the Tailings Storage Facility ("TSF") at GPL. In January 2016 a total resource of 81,959 ounces of gold, 216,094 ounces of silver and 193,276 pounds of uranium oxide was declared. Work continues together with a local University to determine the optimal production method, recovery process, final tailings deposition facility and costs associated with re-processing this material. The metallurgical research work completed at the end of May 2016 showed positive results and the process of selecting a final tailings deposition site remains ongoing. Our preferred site is a disused open-pit adjacent to GPL but regulatory, environmental and ownership issues have delayed finalisation of the acquisition of this site. GPL has the support of the Department of the Mineral Resources ("DMR") for the use of this site and a decision in FY 2017 is expected, after which final economics can be determined and the processing of the TSF can commence.

GPL entered into, and successfully completed, a silver toll recovery project for Rand Refinery to which the high grade circuit and approximately half of the increased elution capacity was dedicated. This project proved the flexibility gained by the installation of the increased elution capacity and allowed for the production, on a toll-treatment basis, of significant amounts of silver. Unfortunately, a dispute has arisen between the two companies regarding payments against certain disputed invoices. Goldplat is confident that the dispute will be resolved in FY 2017.

During the year, GPL entered into a pre-payment agreement with Auramet International LLC ("Auramet") to accelerate receipt of funds due from Aurubis Refinery. This enabled GPL to bring forward payments to material suppliers.

Finally, various senior appointments were made to strengthen operational management at GPL. These included the creation of a new General Manager as well as the appointment of a new Strategic Sourcing Manager.

#### ***Gold Recovery Ghana Limited ("GRG")***

GRG's gold recovery operation, which has a tax free status until December 2016, and a favourable tax rate thereafter of 8%, is located in the free port of Tema in Ghana. Processing facilities include a spiralling section, filter presses, an incinerator and a shotblast facility, used to recover gold from mill liners. Concentrates produced at GRG are exported to GPL or to Aurubis Refinery in Germany and/or Rand Refinery in South Africa. Most of the region's major gold producers and a number of smaller operations have contracts with GRG for the processing of their by-products which include fine carbon, fine carbon sludges, steel and rubber mill liners, wood chips, slag, scaling and grease.

FY 2016 was a recovery year for GRG, which suffered significant setbacks due to the problems experienced with the Rand Refinery during FY 2015. Not only had a significant backlog of material built up, which was processed during FY 2016, but the resulting delayed payments to clients caused strain on relationships and delays in delivery of new material. During the year, as with GPL, GRG also entered into a pre-payment agreement with Auramet to accelerate receipt of funds due from Aurubis Refinery. This enabled GRG to bring forward payments to material suppliers in Ghana, which in turn facilitated the receipt of new material from these suppliers.

## **GOLDPLAT PLC**

### **OPERATIONS REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 30 JUNE 2016**

During FY 2016, a total of 6,883 ounces of gold were produced (FY 2015: 6,111 ounces) and 8,964 ounces of gold were sold (FY 2015: 2,578 ounces). The difference between the gold sold and gold produced of 2,081 ounces (FY 2015: -3,533 ounces) is largely a result of the processing during the year, through Aurubis refinery and the new elution plant in GPL, of backlog concentrates which had built up during FY 2015 due to problems associated with the Rand Refinery.

During the year the CIL circuit was deconstructed, containerised and shipped to Kenya. The space created will be used as a site for the planned erection of an elution plant, the timing of which is being negotiated with the Ghanaian authorities. A shotblast facility was fabricated at GPL and installed at GRG during the year and is being used to extract gold from mill liners. Four filter presses were installed during the year to improve the efficiency of the spiral circuits.

The renewal of the Gold and Environmental Protection Agency licences are in progress. The renewals are taking longer than anticipated but we are working closely with the relevant authorities and expect to conclude the process during the first half of FY 2017.

#### **GOLDPLAT'S MINING AND EXPLORATION**

##### ***Kilimapesa Gold (Pty) Limited ("Kilimapesa")***

Kilimapesa is a producing gold mine located in South Western Kenya. The mine is located in the historically productive Migori Archaean Greenstone Belt and has a total resource of 8,715,291 tonnes at 2.40 g/t of gold for a total of 671,446 ounces of gold at 1 g/t.

During the year, Kilimapesa Hill remained the primary source of production with additional gold being recovered from artisanal material and limited amounts from exploration work on the Teng-Teng mine. Gold production for the year was 2,005 ounces (FY 2015: 2,278 ounces) with 1,999 ounces being sold during the year (FY 2015: 2,073 ounces). The slight decrease in production was primarily due to a reduction in artisanal tailings sourced during the year.

Focus at Kilimapesa Hill during the year was on re-opening the Adit D and once complete activities focussed on understanding geological structures and value trends, developing mining blocks through on-reef drives and raises between the levels, and establishing second outlets. All high grade material mined was delivered to the processing plant for treatment and low grade material was stockpiled for later processing during commissioning of the new plant during FY 2017.

Following dewatering and equipping of the previously abandoned and flooded Teng-Teng shaft during FY 2015, the underground workings were rehabilitated and re-equipped in preparation for further on-reef exploration work. Reef drives on the lowest level opened up new ground and raises were developed to delineate potential mining blocks. A second outlet was developed for safety purposes as well as to facilitate rock and material handling during the decline shaft deepening planned for FY 2017.

To gain a better understanding of the resource, and in preparation for the planned increase in underground production rates, two part-time geologists have been employed. They will also guide the exploration programmes at Teng-Teng and other sites, and maintain compliance with regulatory requirements.

## **GOLDPLAT PLC**

### **OPERATIONS REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

During FY 2016 successful trial processing of tailings through the gravity concentrator were concluded and the concentrator was moved to and erected at the new plant site for commissioning early in FY 2017. This concentrator will be utilised for processing low grade artisanal tailings.

In preparation for the construction of a new processing plant and tailings facility, the Environmental Impact Assessment was approved and all agreements regarding land usage were concluded. With design and construction drawings and layouts completed, work commenced on the new plant project during 2016. A CIL plant, which was de-commissioned at Goldplat's GRG recovery operation during FY 2015 was de-constructed and shipped to Kilimapesa for re-erection during FY 2017. Two new second-hand ball mills were acquired in South Africa and one of these was shipped to Kilimapesa. Fabrication of infrastructure for the new plant is taking place at GPL and shipments to Kilimapesa began during the year.

Goldplat plans to have the new plant in production by the end of the first half of FY 2017 and for Kilimapesa to become profitable at an operational level during FY 2017. To date the project has been financed within the Group, but alternative ways to re-finance this capital investment are being considered.

No capital was spent on exploration during the year under review, other than on Teng-Teng, despite the significant potential known to exist within the greater exploration permit.

On 27 May 2016, a new mining act (the Kenya Mining Act) came into force in Kenya. A new Cabinet Secretary for Mining was appointed and a good relationship exists between Goldplat management and the Ministry of Mining. In addition to this, relationships with the Narok County Governor have been strengthened and new relationships developed with the Governor of the adjacent Migori County, which has significant potential for gold exploration, mining, sourcing and processing of tailings. Community relations at Kilimapesa remain sound and a new collective bargaining agreement and wage negotiations were concluded during the year.

#### **OTHER EXPLORATION PROJECTS**

Goldplat maintains interests in two greenfield exploration projects, which have a total JORC compliant mineral resource of 3,940,000 tonnes at 2.05g/t for approximately 259,000 ounces of gold. These include the 29 sq. km Anumso Gold project in the Ashanti region in Ghana as well as the 246 sq. km Nyieme project in the Birimian Greenstone Belt in Southern Burkina Faso. Due to prevailing market conditions, no further exploration work was conducted on either of these two projects during the FY 2016.

Discussions regarding potential corporate deals involving these assets continued during the year with an earn-in option agreement over Anumso signed after the year end with a Canadian listed company Ashanti Gold Corp ("Ashanti"); Ashanti has the option for a US\$3 million earn-in to Goldplat's 90% interest in Anumso. This agreement will allow Goldplat to retain prospective exposure to Anumso whilst minimising capital commitments.

#### **OUTLOOK**

I am confident that Goldplat is well positioned for growth and sustained financial profitability, with the recovery operations back on track and profitable, plans in place to return Kilimapesa to profitability during the FY 2017, and exciting growth prospects in the pipeline.

Discussions regarding the dispute with Rand Refinery continue between GPI and Rand Refinery, and an independent joint team has been appointed to manage a process of investigation to try to resolve this issue

## **GOLDPLAT PLC**

### **OPERATIONS REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

amicably. During the course of the investigation, Rand Refinery has agreed to deal with Goldplat in a "business as usual" manner regarding refining and payments. Good progress is being made regarding the future processing of the TSF both in terms of the University work on potential recovery processes, as well as with the DMR on access to the open pit for final tailings deposition.

We have begun sending materials from GPL to GRG for the erection of a 4-tonne elution plant on the site of the old CIL plant. Good progress is being made with the sourcing of material elsewhere in West Africa. The gold license has been renewed in the first few months of FY 2017 and the earn-in option agreement over Anumso with Ashanti Gold Corp., (formerly Gulf Shore Resources) has been signed.

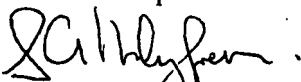
Subsequent to the year end, a contract was agreed with our new South American partner, a new South American Manager was appointed, a Strategic Sourcing Manager was moved to Brazil and we conducted further visits to the region to establish relationships, scope contracts and determine the optimal way to grow a business in the region.

The new plant at Kilimapesa is progressing well, with VAT exemptions being granted for all project plant and equipment. Containers have been released through port customs, the gravity concentrator has been commissioned, and the borrow pit for tailings completed. All civil and construction work on-site is progressing well. Fabrication of the infrastructure is progressing well at GPL and is being shipped to Kenya regularly. An exploratory trip to the adjacent Migori county and meetings with the Governor identified good opportunities for the procurement of tailings as well as the potential to mine and process gold in the county. These opportunities will be followed up on during FY 2017.

An earn-in option agreement was signed in September 2016 with Ashanti Gold Corp, a Canadian listed company, whereby Ashanti has the option to earn up to 75% of Goldplat's 90% interest in the Anumso project in Ghana by spending an aggregate of US\$ 3 million.

### **CONCLUSION**

I would like to take this opportunity to thank our Goldplat employees, advisors, fellow directors and shareholders for their support as we successfully restored the Group to profitability during FY 2016. I look forward to working with all of you as we embark upon a period of growth and diversification during FY 2017. I would also like to take this opportunity to thank Brian Moritz, our Non-Executive Chairman, for his Chairmanship, guidance, loyalty and unwavering support for the Company since its listing and to wish Brian success, health and happiness going forward. I would like to welcome Matthew Robinson as our new Non-Executive Chairman, (subject to the approval of shareholders), assure him of the support of the Board and I look forward to a successful relationship and prosperous period for Goldplat under his Chairmanship.

  
Gerard Kisbey-Green

CEO

26 September 2016

## **GOLDPLAT PLC**

### **FINANCIAL REVIEW**

#### **FOR THE YEAR ENDED 30 JUNE 2016**

The Group reports net cash resources of £2,056,000 as at 30 June 2016 (FY 2015: £630,000), which reflects the improvement in operating activities for both the GPL and GRG recovery operations. The Kilimapesa mine, where we are in the process of increasing plant capacity, continued to trade at a loss, although some improvement was seen towards the latter part of the financial year.

The Group's operating results for the year under review reflects an increase in revenue of 21% while the cost of sales increased by 10% year on year. Administrative expenses increased by 9% to £1,836,000 (FY 2015: £1,679,000).

The Group's gross profit increased from £968,000 to £3,008,000, an improvement of 211% year-on-year. Results from operating activities for the year under review improved to a profit of £1,172,000 (FY 2015: Loss of £711,000).

The increased revenues were driven by the following factors;

The 4-tonne elution plant, which was successfully commissioned at GPL during the first half of the year, enabled both GPL and GRG recovery operations to process the substantial gold inventories held as at 30 June 2015. In addition, a steady flow of gold bearing raw materials was re-established as suppliers gained confidence in our service delivery. This improvement in procured gold bearing material is particularly pleasing as during the previous year a number of our suppliers had held back deliveries of gold bearing material in response to the continuous delays at Rand Refinery in processing our concentrates.

Gold sold on own account increased by 30% to 27,538 ounces (FY 2015: 21,181 ounces) which is reflected in increased Group sales.

The average dollar price for gold for the year was lower at US \$1,167 per ounce (FY 2015: US \$1,229 per ounce). However, the deterioration of our operating currencies against the US Dollar offset the lower gold price per ounce, and the Groups' revenues in local currency improved year on year.

The operating currencies for the Group are South African Rand (ZAR) in South Africa, Ghanaian Cedi (GHS) in Ghana and Kenyan Shilling (KES) in Kenya. The average exchange rate used in the conversion of operating currencies in the Statement of Profit or Loss and Other Comprehensive Income deteriorated against the Pound Sterling during the period under review. Due to the deterioration of the Pound Sterling, during the week before the Group's year-end at 30 June, the exchange rate used to convert the operating currencies into Sterling in the Statement of Financial Position, improved.

The volatility of the operating currencies against the Pound Sterling and the general deterioration of the operating currencies against the US Dollar, resulted in an increase in net finance income to £770,000 (FY 2015: £36,000). The improvement of the operating currencies against the Pound Sterling also resulted in a positive unrealised exchange translation of £489,000 (FY 2015: £860,000 negative).

GPL continued to perform well and increased its operating profits to £2,111,000 (FY 2015: £1,090,000).

Substantial cost savings were made by reducing labour costs, but were offset by the new senior positions created at GPL. Additional cost savings were achieved, especially at GPL, where all operating cost components were reviewed in detail.

## **GOLDPLAT PLC**

### **FINANCIAL REVIEW (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

GRG showed the strongest turnaround performance, turning an operational loss in FY 2015 of £641,000 into an operational profit of £437,000 for the year ended 30 June 2016. In addition to the Company being awarded a substantial clean-up contract at the AngloGold Ashanti ("AGA") Obuasi Gold Mine, the backlog inventories were cleared and raw material procurement volumes improved.

The Kilimapesa gold mine's performance during the first six months of this financial year was below expectations but improved during the second six months of the financial year. Operating losses before finance costs at the mine increased to £624,000 (FY 2015: loss of £389,000). Increased processing capacity will be installed during the first half of the 2017 financial year and is expected to return the mine to profitability.

The Group's capital expenditure for the year amounted to £1,284,000 (FY 2015: £909,000) of which £460,000 was expended on the completion of the elution plant at GPL and £355,000 on the purchase of equipment for Kilimapesa's new production plant.

At GPL £58,000 (FY 2015: £214,000) was spent on the new wash plant and re-commissioning the CIL circuit and both started producing in October 2015. During the period, £128,000 was invested in strategic spares for the CIL Circuits. The balance of the capital spent on plant and equipment was used to upgrade capacity in our tailings circuit (£32,500), to improve conditions in our by-product processing plant with a mist spray system (£24,000), and to install our own weighbridge (£34,000). Other expenditures include £80,000 on production vehicles.

At GRG £97,000 was invested in a shot blast facility.

At Kilimapesa £110,000 capital was expended in the development of the mine. A further £451,000 was expended on the gold plant, of which most related to the construction of a new plant, which will be commissioned in the third quarter of FY 2017.

During the period GPL entered into a purchase contract and bill of sale agreement with Auramet, whereby Auramet purchase and pre-pay material on route to the refinery, using the final results from the refiner less refining charges and an interest cost of 3 month LIBOR plus a 5% margin. The balance settled by Auramet amounted to £1,107,000 and is included in Trade and Other Payables as Amounts received in advance.

#### ***GPL – South Africa***

The South African subsidiary reported a net profit of £1,777,000 (FY 2015: £965,000).

The impact of falling US Dollar denominated gold price was mitigated by changes in the value of the South African Rand. This resulted in record prices being obtained in South African Rand terms.

Revenues of £15,223,000 (FY 2015: £14,001,000) were achieved and cost of sales amounted to £12,504,000 (FY 2015: £12,346,000). The value of the gold equivalent ounces produced from the silver sulphide toll-treatment project was not recognised as revenue, but only the fees received for processing, of which approximately £679,000 is being disputed by Rand Refinery. Notwithstanding this, substantial savings were made by constant review of all costs.

The completion of the elution plant in the first half of the year allowed the Company to not only process all the backlog of gold inventories but also to assist GRG in processing their material that could not be delivered to Rand Refinery.

## **GOLDPLAT PLC**

### **FINANCIAL REVIEW (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

#### ***GRG - Ghana***

The Ghana Gold Recovery operation has had a strong performance compared to the previous year. The current zero tax rate ceases in December 2016 after which the Company will be subject to a favourable tax rate of 8%.

GRG reported a profit from operating activities of £437,000 compared to a loss from operating activities of £641,000 in FY 2015. The increase in profitability is attributable to the clearing of the backlog of gold inventories held at 30 June 2015, combined with a steady flow of material from our traditional suppliers and a large clean-up contract awarded by AGA Obuasi.

#### ***Kilimapesa - Kenya***

The Kilimapesa gold mine in Kenya reported a net loss of £711,000 (FY 2015: loss of £753,000) for the year under review.

The mine remains processing-constrained. During FY 2015 a decision was made to increase the plant capacity sufficiently with the aim of returning the mine to profitability. During the previous financial year two parcels of land were secured on which we will erect a new processing plant and a tailings storage facility.

The decommissioned Ghana CIL circuit was sold to Kilimapesa as a first step to increase capacity. In addition, one mill purchased from GPL will be shipped to the mine during the first quarter of the 2017 financial year. Additional leaching capacity will be provided as production increases to a total capacity of circa 6,000 tonnes per month. A new crushing section will be installed and commissioned during January 2017.

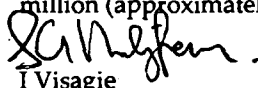
At the time of this report the expansion has been funded from internally generated funds but we continue to explore possible joint ventures and other funding options.

#### ***Contingencies***

We are pleased to report that the VAT assessment in the amount of £147,762 raised by HM Revenue and Customs, as reported in the previous financial year, has been withdrawn, and regular repayments of input VAT are once again being received.

We have made satisfactory progress in resolving issues raised in the preliminary enquiry into the tax affairs of Kilimapesa Gold Pty Limited and the directors remains confident of a favourable outcome in this matter.

A process of investigation has been agreed to with Rand Refinery regarding the dispute, which relates to the silver recovery toll treatment agreement. Rand Refinery has withheld payment of ZAR 13.5 million (approximately £679,000 at 30 June 2016) pending the outcome of this investigation.



I Visagie

Executive Director

26 September 2016



## **GOLDPLAT PLC**

### **THE BOARD**

#### **BRIAN MORITZ**

##### **Non-Executive Chairman**

Brian is a Chartered Accountant and former Senior Partner of Grant Thornton, London. He formed Grant Thornton's Capital Markets Team, which floated over 100 companies on AIM under his chairmanship. In 1995 he retired to concentrate on bringing new companies to the market as a director. He focuses on mining companies, primarily in Africa, and was formerly Chairman of African Platinum PLC and Metal Bulletin PLC as well as currently being Chairman of several junior mining companies. Brian is a member of the audit and remuneration committees of the Company and is responsible for corporate governance issues and compliance with AIM.

#### **GERARD KISBEY-GREEN**

##### **Chief Executive Officer**

Gerard has built an expansive career in the mining and related financial industry, spanning over 28 years. After graduating as a Mining Engineer in South Africa in 1987, he gained extensive experience working in various management positions for a number of the larger South African mining companies, including Rand Mines Group and the gold division of Anglo American Corporation. During this time he worked on gold, platinum and coal mines primarily in South Africa and also in Germany and Australia.

Gerard subsequently spent 17 years in the financial markets, including five years as a mining equity analyst and 12 years in mining corporate finance. He has worked in South Africa and the UK for banks including JPMorganChase, Investec and Standard Bank. Gerard has extensive experience in IPOs, capital raisings, M&A transactions and deals covering a great diversity of commodities and geographic locations. He also has experience in nomad and broker and advisory roles. He has worked extensively in Africa, particularly South Africa, Western and Eastern Europe, the Middle East, Far East, Central Asia and North America. After returning to South Africa as a Managing Director with Standard Bank in 2009, Gerard left the banking industry and joined Peterstow Aquapower, a mining technology development company, as CEO in 2011, before accepting a position in 2012 with Aurigin Resources Inc., a privately owned Toronto-based gold exploration company with assets in Ethiopia and Tanzania, as President and CEO.

#### **IAN VISAGIE**

##### **Finance Director**

Ian is a chartered accountant who has worked in senior positions in the mining industry since 1990. A South African citizen he trained as a Chartered Accountant with KPMG in its Pretoria office. Having gained post-qualifying experience with KPMG he moved into a mining environment in 1990 when he joined Consolidated Modderfontein Mines Limited as Financial Manager, and Goldplat Recovery in March 1997 as Financial Director. Ian has been a Director of Goldplat plc since its admission to AIM.

## **GOLDPLAT PLC**

### **THE BOARD (CONTINUED)**

#### **HANSIE VAN VREDEN**

##### **Chief Operating Officer**

An experienced metallurgist with over 15 years in the mining industry. Prior to joining Goldplat he worked at several AGA operations in South Africa, including Savuka, Mponeng and Kopanang Gold Plants, and Sunrise Dam Gold Mine in Western Australia. During his time as Plant Manager and Production Metallurgist at Kopanang Gold Plant he successfully converted the operation from reef to waste rock and implemented various initiatives to increase production capabilities and improve recoveries. In addition, at three other Anglo processing plants he gained certification and re-certification of the International Cyanide Management Institute (ICMI). During his time at Anglo (1999-2013) he was also responsible for health and safety, production planning and execution, projects, metallurgical accounting, security and operational staff. He holds a Bachelors degree in Engineering (Chemical: Mineral Processing) from the University of Stellenbosch.

#### **NIGEL WYATT**

##### **Non-Executive Director**

Nigel is a graduate of the Camborne School of Mines. He has held senior positions in a number of mining and engineering companies, primarily in Southern Africa. He was the group marketing director of a De Beers group subsidiary supplying specialised materials, engineering and technology to the industrial and mining sectors, and commercial director of Dunlop Industrial Products (Pty) Limited, South Africa. In 2006, he was appointed as CEO of Chromex Mining Plc, an AIM company mining chrome in South Africa. After listing the company and bringing the company to early production, he resigned in order to seek and develop other early stage mining projects.

## **GOLDPLAT PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016**

The Directors present their report together with the audited financial statements of the Group for the year ended 30 June 2016.

A review of the business and risks (including those relating to financial instruments) and uncertainties is included in the Strategic Report.

#### **Results**

The Group reports a pre-tax profit of £1,998,000 (2015: loss £796,000) and an after tax profit of £1,464,000 (2015: loss £892,000).

#### **Major events after the balance sheet date**

The following events occurred after the balance sheet date and are further discussed in note 37 to these financial statements:

- Completion of Anumso Gold Project Earn-in Option Agreement.

#### **Dividends**

No dividend is proposed in respect of the year ended 30 June 2016 (2015: £nil per share).

#### **Political donations**

There were no political donations during the year (2015: £Nil).

#### **Corporate governance statement**

The Board has established an audit committee and a remuneration committee with formally delegated duties and responsibilities.

During the year the audit committee consisted of B M Moritz and N Wyatt. The audit committee has responsibility for ensuring that the financial performance, position and prospects of the Company are properly monitored and reported on, for meeting with the auditor and discussing their reports on the accounts and the Company's financial controls and for recommending the appointment of auditors.

The remuneration and terms and conditions of appointment of non-executive directors are set by the Board. No Director may participate in any discussions or decisions regarding his own remuneration.

## GOLDPLAT PLC

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

#### Directors

The following Directors served during the period:

|                |                           |
|----------------|---------------------------|
| G Kisbey-Green | (Chief Executive Officer) |
| B M Moritz     | (Non-executive Chairman)  |
| I Visagie      | (Finance Director)        |
| N G Wyatt      | (Non-executive Director)  |
| J H Van Vreden | (Chief Operating Officer) |

#### Directors' interests

The beneficial interests of the Directors holding office on 30 June 2016 in the issued share capital of the Company were as follows:

|            | 30 June 2016                                  |                                             | 30 June 2015                                  |                                             |
|------------|-----------------------------------------------|---------------------------------------------|-----------------------------------------------|---------------------------------------------|
|            | Number of<br>ordinary<br>shares of 1p<br>each | Percentage<br>of issued<br>share<br>capital | Number of<br>ordinary<br>shares of 1p<br>each | Percentage<br>of issued<br>share<br>capital |
| B M Moritz | 3,450,000                                     | 2.06%                                       | 2,550,000                                     | 1.51%                                       |

No other Director had a beneficial interest in the share capital of the Company, and there has been no change in such interests since 30 June 2016.

#### Directors' remuneration and service contracts

Details of directors' emoluments including share based payments are disclosed in note 10 to these financial statements.

|                | Salaries<br>£'000 | Fees<br>£'000 | Other<br>£'000 | Total<br>£'000 |
|----------------|-------------------|---------------|----------------|----------------|
| G Kisbey-Green | 175               | -             | 52             | 227            |
| B M Moritz     | -                 | 40            | -              | 40             |
| I Visagie      | 130               | -             | -              | 130            |
| N G Wyatt      | -                 | 25            | -              | 25             |
| J H Van Vreden | 92                | -             | 25             | 117            |
|                | <u>397</u>        | <u>65</u>     | <u>77</u>      | <u>539</u>     |

During the year 8,000,000 share options were issued to G Kisbey-Green and 3,000,000 to J H Van Vreden. Further details in respect of options granted are disclosed in note 27 to these financial statements.

#### Directors' indemnities

The Company maintains Directors' and officers' liability insurance providing appropriate cover for any legal action brought against its Directors and/or officers.

## **GOLDPLAT PLC**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

#### **Going concern**

The Directors adopt the going concern basis in preparing these financial statements. This is further explained in note 2 to the financial statements.

#### **Employees**

The Directors have a participative management style with frequent direct contact between junior and senior employees. A two-way flow of information and feedback is maintained through formal and informal meetings covering Group performance. The Group is an Equal Employment Opportunity employer.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the directors' report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the Group's profit or loss for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**GOLDPLAT PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

**Statement of disclosure to auditor**

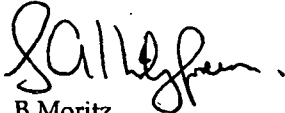
So far as the Directors are aware:

- there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- all the Directors have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditor**

A resolution to re-appoint Moore Stephens LLP as auditor will be proposed at the Annual General Meeting.

By order of the Board



B Moritz

Director

26 September 2016

## **GOLDPLAT PLC**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016**

The directors present their Strategic Report for the year ended 30 June 2016.

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the directors' duty to promote the success of the Company.

#### **Main Objects and Future Development**

The Group's main object is to produce gold from the recovery of by-products discarded by the primary producers and to produce gold as a primary producer itself. Strategically by developing and growing the mature recovery businesses, the Group will be in a position to maintain healthier cash levels to cover some costs as it expands its primary producer goals. Unlike Greenfields exploration companies the Group should be able to fund, if required, exploration or alternatively acquire mining operations as they become available without diluting shareholders continuously by raising capital to fund general and administrative expenses.

By taking a phased approach and organically growing the recovery and mining divisions of the Group it is possible to develop the Group into a junior mining Company.

The outlook for the 2017 year will be to focus our marketing efforts and broadening the geographic and product diversity of materials sourced to expand and grow our recovery businesses. Plant capacity at the Groups' Kilimapesa mine will be increased not only to make this mine profitable but also pave the way for further expansions, if such an opportunity presents itself.

#### **Principal activity**

The Group's operating businesses are based in Africa and comprises the production of gold and other precious metals, by processing by-products of the mining industry as well as mining itself. Marketing focus is not only directed at the African continent, but also other international gold producing countries.

The Group's primary operating base is situated near Benoni on the East Rand gold field in South Africa. As well as producing gold, silver and platinum group metals from the by-products of the mining industry, support for other Group operating subsidiary companies is provided from Benoni. This business is 74% owned in compliance with South African Black Economic Empowerment legislation.

The Group's Ghana operation based in the Freeport of Tema is in the process of being developed into a processing hub to service gold producing clients internationally and fully utilise the advantages of the low tax rates in the Freezone.

The Kilimapesa mine in Kenya, is being expanded by further development of the ore body and the erection of a larger CIL (Carbon-in-Leach) and crushing section to return the mine to profitability.

The Group's exploration assets in Ghana and Burkina Faso, which has not yet been developed, will be maintained in good order pending future opportunities that may arise.

#### **Review of business and financial performance**

Information on the financial position of the Group is set out in the Financial Review and the annexed financial statements.

Details of the operations are set out in the Operations Report.

## **GOLDPLAT PLC**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible.

#### **Risks and uncertainties**

The principal risks and uncertainties facing the Group at this stage in its development are:

##### ***Purchasing risk***

The main business of the Group, the recovery of gold from by-products of the mining industry, requires such by-products to be available for purchase by the Group at prices which allow profitable processing by the Group. As mining companies become more efficient both the volumes of available materials and their precious metal content may be reduced.

The Group mitigates this risk by its flexibility in the types of material it processes. It has also been in the forefront of producing "Responsible Gold" which gives it a competitive advantage over its competitors.

This risk is further mitigated by expanding the Group's sourcing efforts from African based producers to producers internationally.

##### ***Price risk***

The gold and precious metals produced by the Group are sold at world spot prices which may fluctuate substantially according to supply and demand, and are not directly related to the cost of production.

The Group seeks to mitigate this risk in part by adjusting the price it pays for materials for processing.

##### ***Exploration Risk***

The Group's business includes mineral exploration and evaluation which are speculative activities and there is no certainty that the Group will be successful in the definition of economic mineral deposits, or that it will proceed to the development of any of its projects or otherwise realise their value.

The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some historical drilling or geological data available. It should be noted that exploration is not the main focus of the Group's activities and that exploration, if required, can be conducted based on the Group's free cash flow.

##### ***Resource Risk***

All mineral projects have risk associated with defined grade and continuity. Mineral reserves and resources will be calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and commodity price assumptions.

##### ***Development Risk***

Delays in permitting, financing and commissioning a project may result in delays to the Group meeting production targets. Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.



## **GOLDPLAT PLC**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

This risk will be mitigated to some extent by only expanding into countries that pose a low country risk as perceived at the time.

#### ***Mining and Processing Technical Risk***

Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, ground water conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable.

The Group has a small team of mining professionals experienced in geological evaluation, exploration, financing and development of mining projects. To mitigate development risk the Group supplements this from time to time with engagement of external expert consultants and contractors.

#### ***Environmental Risk***

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

The Group is responsible for rehabilitation at all its operations.

#### ***Financing and Liquidity Risk***

The Company may need to finance expansion through the equity markets and in future to obtain finance for project development. There is no certainty such funds will be available when needed.

This risk is mitigated for Goldplat in so far as its primary activities are cash generative.

#### ***Political Risk***

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

#### ***Partner Risk***

In South Africa, Black Economic Empowerment legislation requires historically disadvantaged South Africans to have a minimum 26% interest in all mining and exploration projects. The Group can be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments. It is possible that other countries where the Group operates may introduce similar legislation.

#### ***Financial Instruments***

Details of risks associated with the Group's financial instruments are given in Note 32 to the financial statements. The Company does not utilise any complex financial instruments.

#### ***Internal Controls and Risk Management***

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

## **GOLDPLAT PLC**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016**

In carrying out their responsibilities the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

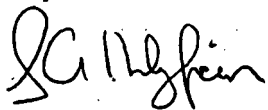
The Board, subject to delegated authority, reviews regulatory issues, capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

#### ***Bribery Risk***

The Group has adopted an anti-corruption policy and whistle blowing policy under the UK Bribery Act 2010. Notwithstanding this, the Company may be held liable for offences under that Act committed by its employees or subcontractors whether or not the Company or the Directors have knowledge of the commission of such offences.

#### ***Forward Looking Statements***

This Annual Report contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of the approval of the Annual Report. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.



Ian Visagie  
Director

26 September 2016

## **GOLDPLAT PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDPLAT PLC**

We have audited the financial statements of Goldplat Plc for the year ended 30 June 2016 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APBs) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

**GOLDPLAT PLC**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GOLDPLAT PLC (CONTINUED)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following where, under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Moore Stephens LLP*

GARETH JONES (Senior Statutory Auditor)  
for and on behalf of MOORE STEPHENS LLP  
Chartered Accountants and Statutory Auditor  
London  
27 September 2016

**GOLDPLAT PLC**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

|                                                                           |       | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------------------------------------------|-------|---------------|---------------|
|                                                                           | Notes |               |               |
| <b>Continuing operations</b>                                              |       |               |               |
| Revenue                                                                   | 7     | 20,185        | 16,628        |
| Cost of sales                                                             |       | (17,177)      | (15,660)      |
| Gross profit                                                              |       | 3,008         | 968           |
| Administrative expenses                                                   |       | (1,836)       | (1,679)       |
| Results from operating activities                                         |       | 1,172         | (711)         |
| Finance income                                                            |       | 809           | 843           |
| Finance costs                                                             |       | (39)          | (807)         |
| Net finance income                                                        | 11    | 770           | 36            |
| Results from operating activities after finance income                    |       | 1,942         | (675)         |
| Write off development cost of discontinued South African mining operation | 12    | -             | (121)         |
| Profit/loss before tax                                                    |       | 1,942         | (796)         |
| Taxation                                                                  | 13    | (534)         | (96)          |
| Profit/loss for the year                                                  |       | 1,408         | (892)         |
| Profit/loss attributable to:                                              |       |               |               |
| Owners of the Company                                                     |       | 946           | (1,143)       |
| Non-controlling interests                                                 |       | 462           | 251           |
| Profit/loss for the year                                                  |       | 1,408         | (892)         |
| <b>Other comprehensive income</b>                                         |       |               |               |
| Items that may be reclassified subsequently to profit or loss:            |       |               |               |
| Exchange translation                                                      |       | 489           | (860)         |
| Other comprehensive income/expense for the year                           |       | 489           | (860)         |
| Total comprehensive income/expense for the year                           |       | 1,897         | (1,752)       |
| Total comprehensive income attributable to:                               |       |               |               |
| Owners of the Company                                                     |       | 1,435         | (2,003)       |
| Non-controlling interests                                                 |       | 462           | 251           |
| Total comprehensive income/expense for the year                           |       | 1,897         | (1,752)       |
| <b>Earnings per share – continuing operations</b>                         |       |               |               |
| Basic earnings per share (pence)                                          | 24    | 0.84          | (0.53)        |
| Diluted earnings per share (pence)                                        | 24    | 0.76          | n/a           |

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

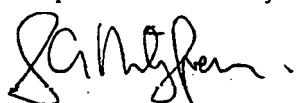
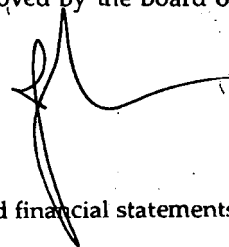
# GOLDPLAT PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

|                                                     |       | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------------------------------|-------|---------------|---------------|
|                                                     | Notes |               |               |
| <b>Assets</b>                                       |       |               |               |
| Property, plant and equipment                       | 14    | 5,404         | 4,449         |
| Intangible assets                                   | 15    | 9,726         | 9,169         |
| Proceeds from sale of shares in subsidiary          | 16    | 1,271         | 1,357         |
| Non-current cash deposits                           | 17    | 160           | 233           |
| <b>Non-current assets</b>                           |       | <u>16,561</u> | <u>15,208</u> |
| Inventories                                         | 20    | 7,747         | 7,727         |
| Trade and other receivables                         | 21    | 6,255         | 3,305         |
| Cash and cash equivalents                           | 22    | 2,148         | 630           |
| <b>Current assets</b>                               |       | <u>16,150</u> | <u>11,662</u> |
| <b>Total assets</b>                                 |       | <u>32,711</u> | <u>26,870</u> |
| <b>Equity</b>                                       |       |               |               |
| Share capital                                       | 23    | 1,675         | 1,685         |
| Share premium                                       |       | 11,441        | 11,498        |
| Exchange reserve                                    | 23    | (6,218)       | (6,707)       |
| Retained earnings                                   |       | 10,953        | 9,868         |
| <b>Equity attributable to owners of the Company</b> |       | <u>17,851</u> | <u>16,344</u> |
| Non-controlling interests                           |       | 2,246         | 1,893         |
| <b>Total equity</b>                                 |       | <u>20,097</u> | <u>18,237</u> |
| <b>Liabilities</b>                                  |       |               |               |
| Obligations under finance leases                    | 25    | 157           | 199           |
| Interest bearing borrowings                         | 26    | -             | 56            |
| Provisions                                          | 28    | 383           | 121           |
| Deferred tax liabilities                            | 29    | 510           | 459           |
| <b>Non-current liabilities</b>                      |       | <u>1,050</u>  | <u>835</u>    |
| Bank overdraft                                      | 22    | 92            | -             |
| Obligations under finance leases                    | 25    | 129           | 120           |
| Interest bearing borrowings                         | 26    | 55            | 104           |
| Taxation                                            |       | 153           | 18            |
| Trade and other payables                            | 30    | 11,135        | 7,556         |
| <b>Current liabilities</b>                          |       | <u>11,564</u> | <u>7,798</u>  |
| <b>Total liabilities</b>                            |       | <u>12,614</u> | <u>8,633</u>  |
| <b>Total equity and liabilities</b>                 |       | <u>32,711</u> | <u>26,870</u> |

The financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 26 September 2016. They were signed on its behalf by:

Brian Moritz, Director

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

**GOLDPLAT PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2016**

|                                                                              | Attributable to owners of the Company |               |                  |                   | Non-controlling interests | Total equity  |
|------------------------------------------------------------------------------|---------------------------------------|---------------|------------------|-------------------|---------------------------|---------------|
|                                                                              | Share capital                         | Share premium | Exchange reserve | Retained earnings |                           |               |
|                                                                              | £'000                                 | £'000         | £'000            | £'000             | £'000                     | £'000         |
| Balance at 1 July 2015                                                       | 1,685                                 | 11,498        | (6,707)          | 9,868             | 1,893                     | 18,237        |
| <b>Total comprehensive income for the year</b>                               |                                       |               |                  |                   |                           |               |
| Profit for the year                                                          | -                                     | -             | -                | 946               | 462                       | 1,408         |
| Total other comprehensive income                                             | -                                     | -             | 489              | -                 | -                         | 489           |
| <b>Total comprehensive income for the year</b>                               | -                                     | -             | 489              | 946               | 462                       | 1,897         |
| <b>Transactions with owners of the Company recognised directly in equity</b> |                                       |               |                  |                   |                           |               |
| <b>Contributions by and distributions to owners of the Company</b>           |                                       |               |                  |                   |                           |               |
| Share based payment transactions                                             | -                                     | -             | -                | 72                | -                         | 72            |
| Cancellation of treasury shares                                              | (10)                                  | (57)          | -                | 67                | -                         | -             |
| <b>Total contributions by and distributions to owners of the Company</b>     | (10)                                  | (57)          | -                | 139               | -                         | 72            |
| <b>Changes in ownership interests in subsidiaries</b>                        |                                       |               |                  |                   |                           |               |
| Non-controlling interests in subsidiary dividend                             | -                                     | -             | -                | -                 | (109)                     | (109)         |
| <b>Total transactions with owners of the Company</b>                         | -                                     | -             | -                | -                 | (109)                     | (109)         |
| <b>Balance at 30 June 2016</b>                                               | <b>1,675</b>                          | <b>11,441</b> | <b>(6,218)</b>   | <b>10,953</b>     | <b>2,246</b>              | <b>20,097</b> |

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

**GOLDPLAT PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2015**

|                                                                       | Attributable to owners of the Company |               |                  |                   | Non-controlling interests | Total equity |
|-----------------------------------------------------------------------|---------------------------------------|---------------|------------------|-------------------|---------------------------|--------------|
|                                                                       | Share capital                         | Share premium | Exchange reserve | Retained earnings |                           |              |
|                                                                       | £'000                                 | £'000         | £'000            | £'000             | £'000                     | £'000        |
| Balance at 1 July 2014                                                | 1,685                                 | 11,498        | (5,847)          | 11,011            | 1,642                     | 19,989       |
| Total comprehensive income for the year                               | -                                     | -             | -                | (1,143)           | 251                       | (892)        |
| Loss for the year                                                     | -                                     | -             | -                | (1,143)           | -                         | (892)        |
| Total other comprehensive income                                      | -                                     | -             | (860)            | -                 | -                         | (860)        |
| Total comprehensive income for the year                               | -                                     | -             | (860)            | (1,143)           | 251                       | (1,752)      |
| Transactions with owners of the Company recognised directly in equity |                                       |               |                  |                   |                           |              |
| Contributions by and distributions to owners of the Company           |                                       |               |                  |                   |                           |              |
| Share based payment transactions                                      | -                                     | -             | -                | -                 | -                         | -            |
| Total contributions by and distributions to owners of the Company     | -                                     | -             | -                | -                 | -                         | -            |
| Changes in ownership interests in subsidiaries                        |                                       |               |                  |                   |                           |              |
| Non-controlling interests in subsidiary dividend                      | -                                     | -             | -                | -                 | -                         | -            |
| Total transactions with owners of the Company                         | -                                     | -             | -                | -                 | -                         | -            |
| Balance at 30 June 2015                                               | 1,685                                 | 11,498        | (6,707)          | 9,868             | 1,893                     | 18,237       |

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.



**GOLDPLAT PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

|                                                             |       | 2016<br>£'000  | 2015<br>£'000  |
|-------------------------------------------------------------|-------|----------------|----------------|
|                                                             | Notes |                |                |
| <b>Cash flows from operating activities</b>                 |       |                |                |
| Result from operating activities                            |       | 1,172          | (711)          |
| Adjustments for:                                            |       |                |                |
| Depreciation                                                |       | 514            | 390            |
| Amortisation                                                |       | 192            | 189            |
| Write off development cost                                  |       | -              | (121)          |
| Loss on sale of property, plant and equipment               |       | 62             | 148            |
| Equity-settled share-based payment transactions             |       | 72             | -              |
| Foreign exchange differences                                |       | (421)          | (172)          |
|                                                             |       | <u>1,591</u>   | <u>(277)</u>   |
| <b>Changes in:</b>                                          |       |                |                |
| - inventories                                               |       | (20)           | (2,639)        |
| - trade and other receivables                               |       | (2,950)        | 1,481          |
| - trade and other payables                                  |       | 3,579          | 1,574          |
| - provisions                                                |       | 244            | (8)            |
|                                                             |       | <u>2,444</u>   | <u>131</u>     |
| <b>Cash generated from operating activities</b>             |       |                |                |
| Finance income                                              |       | 809            | 843            |
| Finance cost                                                | 31.1  | (39)           | (679)          |
| Taxes paid                                                  |       | (342)          | (76)           |
|                                                             |       | <u>2,872</u>   | <u>219</u>     |
| <b>Net cash from operating activities</b>                   |       |                |                |
| <b>Cash flows from investing activities</b>                 |       |                |                |
| Proceeds from sale of property, plant and equipment         |       | 94             | 24             |
| Enhancement of exploration and development asset            |       | (110)          | (92)           |
| Acquisition of property, plant and equipment                | 31.2  | (1,284)        | (909)          |
| Non-current cash deposit                                    |       | 73             | (31)           |
|                                                             |       | <u>(1,227)</u> | <u>(1,008)</u> |
| <b>Net cash used in investing activities</b>                |       |                |                |
| <b>Cash flows from financing activities</b>                 |       |                |                |
| (Payment of)/proceeds from interest bearing borrowings      |       | (105)          | 160            |
| Payment of finance lease liabilities                        |       | (114)          | (196)          |
|                                                             |       | <u>(219)</u>   | <u>(36)</u>    |
| <b>Net cash flows from financing activities</b>             |       |                |                |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |       | <u>1,426</u>   | <u>(825)</u>   |
| Cash and cash equivalents at 1 July                         |       | 630            | 1,455          |
| <b>Cash and cash equivalents at 30 June</b>                 | 22    | <u>2,056</u>   | <u>630</u>     |

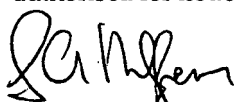
The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

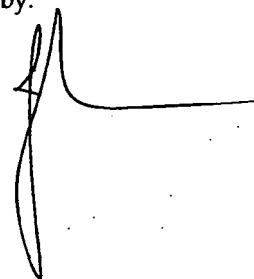
**GOLDPLAT PLC**

**COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

|                                                     |              | 2016<br>£'000 | 2015<br>£'000 |
|-----------------------------------------------------|--------------|---------------|---------------|
|                                                     | <b>Notes</b> |               |               |
| <b>Assets</b>                                       |              |               |               |
| Loans to subsidiary companies                       | 18           | 4,614         | 4,470         |
| Investments                                         | 19           | 9,425         | 9,425         |
| <b>Non-current assets</b>                           |              | <u>14,039</u> | <u>13,895</u> |
| Trade and other receivables                         | 21           | 37            | 420           |
| Cash and cash equivalents                           | 22           | 94            | 15            |
| <b>Current assets</b>                               |              | <u>131</u>    | <u>435</u>    |
| <b>Total assets</b>                                 |              | <u>14,170</u> | <u>14,330</u> |
| <b>Equity</b>                                       |              |               |               |
| Share capital                                       | 23           | 1,675         | 1,685         |
| Share premium                                       |              | 11,441        | 11,498        |
| Retained earnings                                   |              | 907           | 1,074         |
| <b>Equity attributable to owners of the Company</b> |              | <u>14,023</u> | <u>14,257</u> |
| Non-controlling interests                           |              | -             | -             |
| <b>Total equity</b>                                 |              | <u>14,023</u> | <u>14,257</u> |
| <b>Liabilities</b>                                  |              |               |               |
| Trade and other payables                            | 30           | 147           | 73            |
| <b>Current liabilities</b>                          |              | <u>147</u>    | <u>73</u>     |
| <b>Total liabilities</b>                            |              | <u>147</u>    | <u>73</u>     |
| <b>Total equity and liabilities</b>                 |              | <u>14,170</u> | <u>14,330</u> |

These financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 26 September 2016. They were signed on its behalf by:

  
Brian Moritz, Chairman



**GOLDPLAT PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

|                                                                                  | Attributable to owners of the Company |                           |                               |                          |
|----------------------------------------------------------------------------------|---------------------------------------|---------------------------|-------------------------------|--------------------------|
|                                                                                  | Share<br>capital<br>£'000             | Share<br>premium<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>equity<br>£'000 |
| Balance at 1 July 2014                                                           | 1,685                                 | 11,498                    | 1,150                         | 14,333                   |
| <b>Total comprehensive income for the period</b>                                 |                                       |                           |                               |                          |
| Loss for the year                                                                | -                                     | -                         | (76)                          | (76)                     |
| Total other comprehensive income                                                 | -                                     | -                         | -                             | -                        |
| <b>Total comprehensive income for the period</b>                                 | -                                     | -                         | (76)                          | (76)                     |
| <b>Transactions with owners of the Company<br/>recognised directly in equity</b> |                                       |                           |                               |                          |
| <b>Contributions by and distributions to<br/>owners of the Company</b>           |                                       |                           |                               |                          |
| Share based payment transactions                                                 | -                                     | -                         | -                             | -                        |
| <b>Total contributions by and distributions<br/>to owners of the Company</b>     | -                                     | -                         | -                             | -                        |
| <b>Balance at 30 June 2015</b>                                                   | <b>1,685</b>                          | <b>11,498</b>             | <b>1,074</b>                  | <b>14,257</b>            |
| Balance at 1 July 2015                                                           | 1,685                                 | 11,498                    | 1,074                         | 14,257                   |
| <b>Total comprehensive income for the period</b>                                 |                                       |                           |                               |                          |
| Loss for the year                                                                | -                                     | -                         | (306)                         | (306)                    |
| Total other comprehensive income                                                 | -                                     | -                         | -                             | -                        |
| <b>Total comprehensive income for the period</b>                                 | -                                     | -                         | (306)                         | (306)                    |
| <b>Transactions with owners of the Company<br/>recognised directly in equity</b> |                                       |                           |                               |                          |
| <b>Contributions by and distributions to<br/>owners of the Company</b>           |                                       |                           |                               |                          |
| Share based payment transactions                                                 | -                                     | -                         | 72                            | 72                       |
| Cancellation of treasury shares                                                  | (10)                                  | (57)                      | 67                            | -                        |
| <b>Total contributions by and distributions<br/>to owners of the Company</b>     | <b>(10)</b>                           | <b>(57)</b>               | <b>139</b>                    | <b>139</b>               |
| <b>Balance at 30 June 2016</b>                                                   | <b>1,675</b>                          | <b>11,441</b>             | <b>907</b>                    | <b>14,023</b>            |

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

**GOLDPLAT PLC**

**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

|                                                             | Notes     | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------------------------|-----------|---------------|---------------|
| <b>Cash flows from operating activities</b>                 |           |               |               |
| Loss for the year                                           |           | (299)         | (70)          |
| Adjustments for:                                            |           |               |               |
| Equity-settled share-based payment transactions             |           | 72            | -             |
|                                                             |           | (227)         | (70)          |
| Changes in:                                                 |           |               |               |
| - trade and other receivables                               |           | 383           | (149)         |
| - trade and other payables                                  |           | 74            | 54            |
| <b>Cash from/(used in) operating activities</b>             |           | <b>230</b>    | <b>(165)</b>  |
| Interest paid                                               |           | (7)           | (6)           |
| <b>Net cash from/(used in) operating activities</b>         |           | <b>223</b>    | <b>(171)</b>  |
| <b>Cash flows from financing activities</b>                 |           |               |               |
| Loans with subsidiary                                       |           | (144)         | 91            |
| <b>Net cash flows (used in)/ from financing activities</b>  |           | <b>(144)</b>  | <b>91</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |           | <b>79</b>     | <b>(80)</b>   |
| Cash and cash equivalents at 1 July                         |           | 15            | 95            |
| <b>Cash and cash equivalents at 30 June</b>                 | <b>22</b> | <b>94</b>     | <b>15</b>     |

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

#### **1. Reporting entity**

Goldplat plc (the 'Company') is a company domiciled in England and Wales. The address of the Company's registered office is 55 Gower Street, London, WC1E 6HQ. The Group primarily operates as a producer of precious metals on the African continent.

#### **2. Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in these financial statements. The financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The Company has sufficient reserves of raw materials and ongoing contracts with its current suppliers. The Company has a secure market for its precious metal products which are sold at market related prices which are above production costs.

The Directors believe that this performance will be sustainable for the ensuing year and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **3. Basis of preparation**

##### **(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union, and the Companies Act 2006 as applicable to entities reporting in accordance with IFRS.

The Company's individual profit and loss account has been omitted from the Group's annual financial statements having taken advantage of the exemption not to disclose under Section 408(3) of the Companies Act 2006. The Company's comprehensive loss for the year ended 30 June 2016 was £306,000 (2015: loss £76,000).

##### **(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis.

##### **(c) Functional and presentation currency**

These consolidated financial statements are presented in Pounds Sterling ("GBP"), which is considered by the Directors to be the most appropriate presentation currency to assist the users of the financial statements. All financial information presented in GBP has been rounded to the nearest thousand, except when otherwise indicated.

The Company's functional currencies are considered to be the US Dollar ("USD") and South African Rand ("ZAR") as these currencies mainly influence sales prices and expenses respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**3. Basis of preparation (continued)**

**(d) Use of estimates and judgements**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods of the revision if it affects both current and future periods.

Critical estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows:

- Carrying value of goodwill – Notes 4(a)(i) and 15
- Capitalisation of pre-production expenditure – Notes 4(e)(ii) and 15

Accounting entries are made in accordance with the accounting policies detailed below.

**4. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

**(a) Basis of consolidation**

**(i) Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase price is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **4. Significant accounting policies (continued)**

##### **(a) Basis of consolidation (continued)**

##### **(i) Business combinations (continued)**

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

##### **(ii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### **(iii) Loss of control**

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

##### **(iv) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

##### **(b) Foreign currency**

##### **(i) Foreign currency transactions**

Assets and liabilities denominated in foreign currencies are translated at the closing rate at the balance sheet date. Income and expense items are translated at an average rate for the year.

All differences are charged to the statement of profit or loss and other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**4. Significant accounting policies (continued)**

**(b) Foreign currency (continued)**

**(ii) Foreign operations**

The assets and liabilities of foreign operations, including goodwill and the fair value adjustments arising on acquisition, are translated to GBP at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to GBP at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the exchange reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the exchange reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the closing rates.

**(c) Financial instruments**

**(i) Non-derivative financial assets**

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial assets comprise loans and receivables.



## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **4. Significant accounting policies (continued)**

##### **(c) Financial instruments (continued)**

##### **(i) Non-derivative financial assets (continued)**

###### **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables comprise trade and other receivables.

###### **Cash and cash equivalents**

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

##### **(ii) Non-derivative financial liabilities**

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, finance lease obligations, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### **(iii) Share capital**

###### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **4. Significant accounting policies (continued)**

##### **(c) Financial instruments (continued)**

##### **(iii) Share capital (continued)**

###### **Repurchase and reissue of share capital (treasury shares)**

When share capital recognised as equity is repurchased, the amount of consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

##### **(d) Property, plant and equipment**

###### **(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of the mining asset includes the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

###### **(ii) Subsequent costs**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

###### **(iii) Depreciation**

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **4. Significant accounting policies (continued)**

##### **(d) Property, plant and equipment (continued)**

##### **(iii) Depreciation (continued)**

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

|   |                            |                                                  |
|---|----------------------------|--------------------------------------------------|
| • | leasehold land             | lease period                                     |
| • | buildings                  | 20 years                                         |
| • | plant and equipment        | 10 years                                         |
| • | motor vehicles             | 5 years                                          |
| • | office equipment           | 6 years                                          |
| • | environmental assets       | life of mine                                     |
| • | pre-production expenditure | 10 years from date of commencement of production |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### **(e) Intangible assets**

##### **(i) Goodwill**

Goodwill that arises on the acquisition of subsidiaries is presented within intangible assets. For the measurement of goodwill at initial recognition, see note 4(a)(i).

##### **Subsequent measurement**

Goodwill is measured at cost less accumulated impairment losses.

##### **(ii) Mining rights, pre-production expenditure and exploration and development**

Mining rights, exploration and development includes rights in production, development and exploration phase properties. The amount capitalised represents fair value at the time acquired, plus enhancement expenditure at cost.

Pre-production expenditure, including evaluation costs, incurred on mines to establish or expand productive capacity, or to support and maintain that productive capacity are capitalised. Capitalisation ceases when the mine is in a condition necessary to operate as intended by management. Pre-production expenditure is amortised over the estimated useful life of the mine.

Mining rights comprise production phase properties and are amortised over the estimated life of the mine.

Impairment of mining rights in production phase properties is considered based on expected future cash flows and estimates of recoverable minerals.

Rights associated with development and exploration phase properties are not amortised until such time as the underlying property is converted to the production phase.

Rights associated with exploration and development properties are individually evaluated for impairment based on exploration results.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **4. Significant accounting policies (continued)**

##### **(e) Intangible assets (continued)**

##### **(iii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

##### **(iv) Amortisation**

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation is included within administrative expenses in the statement of profit or loss and other comprehensive income.

##### **(f) Leased assets**

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

##### **(g) Inventories**

Consumable stores and raw materials are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average basis and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Precious Metals on Hand and in Process represents production on hand after the smelting process, gold contained in the elution process, gold loaded carbon in carbon-in-leach ("CIL") and carbon-in-pulp ("CIP") processes, gravity concentrates, platinum group metals ("PGM") concentrates and any form of precious metal in process where the quantum of the contained metal can be accurately determined. It is valued at the average production cost for the year, including amortisation and depreciation.

Broken ore represents blasted ore, underground or on stockpile, and are measured at the lower of cost and net realisable value. The cost of broken ore is based on production costs and other costs incurred in bringing them to their existing location and condition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**4. Significant accounting policies (continued)**

**(h) Impairment**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its recoverable amount. Impairment losses are recognised in the Group statement of profit or loss and other comprehensive income.

Goodwill is assessed annually for possible impairment. Impairment losses relating to goodwill are not reversed.

**(i) Employee benefits**

**Share-based payment transactions**

Equity-settled share-based payments are measured at fair value (excluding the impact of any non-market vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercised restrictions and behavioural considerations.

**(j) Provisions**

A provision is recognised in the statement of financial position if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Environmental obligation**

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

The estimated long-term environmental obligations, comprising rehabilitation and mine closure, are based on the Group's environmental management plans in compliance with current environmental and regulatory requirements. The amounts disclosed in the financial statements as environmental assets and obligations include rehabilitation.

The cost of rehabilitation projects undertaken, which has been included in the provision estimate, are charged to the provision as incurred. The cost of current programs to prevent and control future liabilities are charged to the Group statement of profit or loss and other comprehensive income as incurred.

**(k) Revenue**

Revenue from the sale of precious metals is recognised in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer excluding sales taxes.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **4. Significant accounting policies (continued)**

##### **(l) Finance income and finance costs**

Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and foreign exchange gains and losses that are recognised in the Group statement of profit or loss and other comprehensive income.

The finance expense component of finance lease payments is recognised in the Group statement of profit or loss and other comprehensive income using the effective interest rate method.

##### **(m) Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Group statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

##### **(n) Segment reporting**

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### **5. New standards and interpretations not yet adopted**

Amendments to the following International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been implemented by the Group in the period ended 30 June 2016:

IAS 24 Related Party Disclosures

IFRS 8 Operating Segments

*Standards, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning after 1 July 2015 or later periods, but which the Group has not early adopted.

## GOLDPLAT PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

#### 5. New standards and interpretations not yet adopted (continued)

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IAS 1 Presentation of Financial Statements  
Amendments to IFRS 7 Financial Instruments : Disclosures  
Amendments to IAS 27 Separate Financial Statements  
Amendments to IAS 7 Statement of Cash Flows  
Amendments to IFRS 2 Share-Based Payments  
IFRS 9 Financial Instruments  
IFRS 11 Joint Arrangements  
IFRS 15 Revenue from Contracts with Customers  
IFRS 16 Leases

Where relevant, the Group is evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 July 2015 or later periods, but which the Group has not early adopted.

#### 6. Operating segments

For each segment, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segment.

- *Recovery operations.* Includes the recovery of precious metals from metallurgical challenging materials and the processing of ore, sourced from other mining operations. These products often represent an environmental challenge to the primary producer and are processed in a responsible manner by the company.
- *Mining and exploration.* Includes assets held for commercial exploitation of precious metals and exploration assets held where the commercial viability of the ore resource has not yet been evaluated or is in the process of evaluation.
- *Administration.* Includes activities conducted by holding companies in relation to the group and its subsidiaries.

There are varying levels of integration between the three reportable segments. This integration includes the sale of precious metals from the Ghana recovery operation to the South African recovery operation, and the supply of goods and services by the South African subsidiary to all group operations. Inter-segment pricing is determined on an arm's length basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are viewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**6. Operating segments (continued)**

Information about reportable segments:

For the year ended 30 June 2016

|                                             | Recovery<br>Operations<br>£'000 | Mining and<br>exploration<br>£'000 | Adminis-<br>tration<br>£'000 | Reconcil-<br>iation to<br>Group<br>figures<br>£'000 | Group<br>£'000 |
|---------------------------------------------|---------------------------------|------------------------------------|------------------------------|-----------------------------------------------------|----------------|
| External revenues                           | 18,625                          | 1,560                              | -                            | -                                                   | 20,185         |
| Inter-segment revenues                      | 4,707                           | -                                  | -                            | (4,707)                                             | -              |
| <b>Total revenues</b>                       | <b>23,332</b>                   | <b>1,560</b>                       | <b>-</b>                     | <b>(4,707)</b>                                      | <b>20,185</b>  |
| Interest expense                            | (39)                            | -                                  | -                            | -                                                   | (39)           |
| Depreciation and amortisation               | 389                             | 317                                | -                            | -                                                   | 706            |
| Reportable segment profit/(loss) before tax | 2,696                           | (762)                              | (12)                         | 20                                                  | 1,942          |
| Taxation                                    | (494)                           | -                                  | (40)                         | -                                                   | (534)          |
| Reportable segment assets                   | 20,093                          | 7,463                              | 29,702                       | (24,547)                                            | 32,711         |
| Capital expenditure                         | 914                             | 561                                | -                            | -                                                   | 1,475          |
| Reportable segment liabilities              | 12,973                          | 6,273                              | 4,830                        | (11,462)                                            | 12,614         |



**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**6. Operating segments (continued)**

**For the year ended 30 June 2015**

|                                             | <b>Recovery<br/>Operations<br/>£'000</b> | <b>Mining and<br/>exploration<br/>£'000</b> | <b>Adminis-<br/>tration<br/>£'000</b> | <b>Reconcil-<br/>iation to<br/>Group<br/>figures<br/>£'000</b> | <b>Group<br/>£'000</b> |
|---------------------------------------------|------------------------------------------|---------------------------------------------|---------------------------------------|----------------------------------------------------------------|------------------------|
| External revenues                           | 15,037                                   | 1,591                                       | -                                     | -                                                              | 16,628                 |
| Inter-segment revenues                      | 1,805                                    | -                                           | -                                     | (1,805)                                                        | -                      |
| <b>Total revenues</b>                       | <b>16,842</b>                            | <b>1,591</b>                                | <b>-</b>                              | <b>(1,805)</b>                                                 | <b>16,628</b>          |
| Interest expense                            | (31)                                     | -                                           | -                                     | -                                                              | (31)                   |
| Depreciation and amortisation               | 313                                      | 266                                         | -                                     | -                                                              | 579                    |
| Reportable segment profit/(loss) before tax | 873                                      | (933)                                       | (550)                                 | (65)                                                           | (675)                  |
| Taxation                                    | (96)                                     | -                                           | -                                     | -                                                              | (96)                   |
| Reportable segment assets                   | 14,546                                   | 6,099                                       | 28,542                                | (22,317)                                                       | 26,870                 |
| Capital expenditure                         | 753                                      | 488                                         | -                                     | -                                                              | 1,241                  |
| Reportable segment liabilities              | 8,292                                    | 4,515                                       | 4,969                                 | (9,143)                                                        | 8,633                  |

# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 6. Operating segments (continued)

#### Geographical information

The Recovery Operations, Mining and Exploration and Administration segments are managed on a worldwide basis, but operate mines on the African continent.

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

#### Revenue

Revenues are primarily derived from dore bars and product delivered in concentrate form to a local South African refinery in Johannesburg.

#### Non-current assets

Non-current assets are primarily based on the African continent.

#### Major customer

The major customer to the group is a local South African refinery in Johannesburg. Revenues from this customer presents 80% (2015: 91%) of the recovery operations revenues and 100% (2015: 100%) of the mining and exploration revenues.

### 7. Revenue

|                                                   | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------------------|---------------|---------------|
| Sales of precious metals – Recovery operations    | 17,124        | 14,883        |
| Sales of precious metals – Mining and exploration | 1,560         | 1,591         |
| Processing fees charged to customers              | 1,501         | 154           |
|                                                   | <u>20,185</u> | <u>16,628</u> |

### 8. Expenses by nature

|                                                   | Notes | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------------------|-------|---------------|---------------|
| Employee benefit expense                          | 9     | 3,401         | 3,756         |
| Depreciation expense                              | 14    | 514           | 390           |
| Amortisation charged to cost of sales             | 15    | 192           | 189           |
| Equity-settled share-based payment transactions   |       | 72            | -             |
| Auditor's remuneration                            |       |               |               |
| - Audit fee                                       |       | 97            | 135           |
| Directors' remuneration                           | 10    | 483           | 369           |
| Loss on disposal of property, plant and equipment |       | 62            | 148           |

Auditor's remuneration in respect of the Company amounted to £32,500 (2015: £32,000). Of this amount, £32,500 (2015: £32,000) was in relation to audit services and £nil (2015: £nil) for tax advice.

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**9. Personnel expenses**

|                                          | 2016         | 2015         |
|------------------------------------------|--------------|--------------|
|                                          | £'000        | £'000        |
| Wages and salaries                       | 3,117        | 3,454        |
| Performance based payments               | 47           | 112          |
| National insurance and unemployment fund | 57           | 40           |
| Skills development levy                  | 24           | 28           |
| Medical aid contributions                | 20           | 27           |
| Group life contributions                 | 96           | 43           |
| Provident funds                          | 40           | 52           |
|                                          | <u>3,401</u> | <u>3,756</u> |

The average number of employees (including directors) during the period was:

|                          | 2016       | 2015       |
|--------------------------|------------|------------|
| Directors                | 5          | 5          |
| Administrative personnel | 38         | 27         |
| Production personnel     | 436        | 368        |
|                          | <u>479</u> | <u>400</u> |

**10. Directors' emoluments**

**2016**

|                    | Executive  | Non-executive | Total      |
|--------------------|------------|---------------|------------|
|                    | £'000      | £'000         | £'000      |
| Wages and salaries | 397        | -             | 397        |
| Fees               | -          | 65            | 65         |
| Other benefits     | 77         | -             | 77         |
|                    | <u>474</u> | <u>65</u>     | <u>539</u> |

**2015**

|                    | Executive  | Non-executive | Total      |
|--------------------|------------|---------------|------------|
|                    | £'000      | £'000         | £'000      |
| Wages and salaries | 291        | -             | 291        |
| Fees               | -          | 65            | 65         |
| Other benefits     | 13         | -             | 13         |
|                    | <u>304</u> | <u>65</u>     | <u>369</u> |

Emoluments disclosed above include the following amounts paid to the highest director:

|                                    | 2016       | 2015       |
|------------------------------------|------------|------------|
|                                    | £'000      | £'000      |
| Emoluments for qualifying services | <u>227</u> | <u>128</u> |

**Key management**

Apart from the Directors, the emoluments paid to key management personnel amounted to £576,000 (2015: £522,000).

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**11. Finance income and finance costs**

**Recognised in profit or loss**

|                                                       | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------------------|---------------|---------------|
| Interest income on cash balances held                 | 11            | 11            |
| Foreign exchange gains                                | 798           | 832           |
| <b>Finance income</b>                                 | <b>809</b>    | <b>843</b>    |
| Interest expense on utilisation of overdraft facility | (28)          | (14)          |
| Interest on finance leases                            | (11)          | (16)          |
| Foreign exchange loss                                 | -             | (777)         |
| <b>Finance costs</b>                                  | <b>(39)</b>   | <b>(807)</b>  |
| <b>Net finance costs recognised in profit or loss</b> | <b>770</b>    | <b>36</b>     |

The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not measured at fair value through profit or loss:

|                                                   |      |      |
|---------------------------------------------------|------|------|
| - Total interest income on financial assets       | 11   | 11   |
| - Total interest expense on financial liabilities | (39) | (30) |

**12. Write off development cost of discontinued South African mining operation**

|                           | 2016<br>£ '000 | 2015<br>£'000 |
|---------------------------|----------------|---------------|
| Write off CRG development | -              | 121           |

The contract with and the mining activity at Central Rand Gold has been terminated as the risk-reward was no longer viable. The development cost capitalised on the operations at Central Rand Gold were written-off in the previous year.

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**13. Taxation**

**Current tax expense**

|                                                   | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------------------|---------------|---------------|
| <b>Tax recognised in profit or loss</b>           |               |               |
| Current tax expense                               |               |               |
| Current period                                    | 437           | 36            |
| Secondary tax on dividends paid from South Africa | 40            | -             |
|                                                   | <u>477</u>    | <u>36</u>     |

**Deferred tax expense**

|                                                   |           |           |
|---------------------------------------------------|-----------|-----------|
| Origination and reversal of temporary differences | 57        | 60        |
|                                                   | <u>57</u> | <u>60</u> |

**Total tax expense**

|  |            |           |
|--|------------|-----------|
|  | <u>534</u> | <u>96</u> |
|--|------------|-----------|

**Reconciliation of effective tax rate**

|                            | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------|---------------|---------------|
| Profit/(loss) for the year | 1,408         | (892)         |
| Total tax expense          | 534           | 96            |
| Profit excluding tax       | <u>1,942</u>  | <u>(796)</u>  |

|                                                                    |     |       |
|--------------------------------------------------------------------|-----|-------|
| Tax using the Company's domestic tax rate of 20.00% (2015: 20.75%) | 388 | (165) |
|--------------------------------------------------------------------|-----|-------|

**Effects of:**

|                                                     |            |           |
|-----------------------------------------------------|------------|-----------|
| Expenses not deductible for tax purposes            | 6          | 7         |
| Effect of lower tax levied on overseas subsidiaries | (56)       | (132)     |
| Tax losses carried forward                          | 156        | 386       |
| Secondary tax on dividends paid from South Africa   | 40         | -         |
|                                                     | <u>534</u> | <u>96</u> |

None of the components of other comprehensive income have a tax impact.

The tax charge arises in South Africa where group relief is not available from other jurisdictions.

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**14. Property, plant and equipment**

|                                       | Freehold/<br>leasehold<br>land<br>£'000 | Buildings<br>£'000 | Plant and<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Office<br>equipment<br>£'000 | Environ-<br>mental<br>asset<br>£'000 | Total<br>£'000 |
|---------------------------------------|-----------------------------------------|--------------------|---------------------------------|----------------------------|------------------------------|--------------------------------------|----------------|
| <b>Cost</b>                           |                                         |                    |                                 |                            |                              |                                      |                |
| Balance at 1 July 2014                | 240                                     | 440                | 4,037                           | 1,128                      | 74                           | 76                                   | 5,995          |
| Additions                             | 221                                     | 1                  | 906                             | 19                         | 2                            | -                                    | 1,149          |
| Disposals                             | -                                       | (5)                | (247)                           | -                          | -                            | -                                    | (252)          |
| Effect of movements in exchange rates | (35)                                    | (39)               | (307)                           | (79)                       | (7)                          | (5)                                  | (472)          |
| <b>Balance at 30 June 2015</b>        | <b>426</b>                              | <b>397</b>         | <b>4,389</b>                    | <b>1,068</b>               | <b>69</b>                    | <b>71</b>                            | <b>6,420</b>   |
| Balance at 1 July 2015                | 426                                     | 397                | 4,389                           | 1,068                      | 69                           | 71                                   | 6,420          |
| Additions                             | -                                       | 16                 | 1,260                           | 80                         | 9                            | -                                    | 1,365          |
| Disposals                             | -                                       | -                  | (111)                           | (358)                      | (1)                          | -                                    | (470)          |
| Effect of movements in exchange rates | 73                                      | 25                 | 189                             | 26                         | 7                            | (2)                                  | 318            |
| <b>Balance at 30 June 2016</b>        | <b>499</b>                              | <b>438</b>         | <b>5,727</b>                    | <b>816</b>                 | <b>84</b>                    | <b>69</b>                            | <b>7,633</b>   |
| <b>Depreciation</b>                   |                                         |                    |                                 |                            |                              |                                      |                |
| Balance at 1 July 2014                | 5                                       | 109                | 1,152                           | 457                        | 32                           | 38                                   | 1,793          |
| Depreciation charge for the year      | -                                       | 18                 | 252                             | 109                        | 8                            | 3                                    | 390            |
| Disposals                             | -                                       | (2)                | (78)                            | -                          | -                            | -                                    | (80)           |
| Effect of movements in exchange rates | (1)                                     | (8)                | (88)                            | (31)                       | (2)                          | (2)                                  | (132)          |
| <b>Balance at 30 June 2015</b>        | <b>4</b>                                | <b>117</b>         | <b>1,238</b>                    | <b>535</b>                 | <b>38</b>                    | <b>39</b>                            | <b>1,971</b>   |
| Balance at 1 July 2015                | 4                                       | 117                | 1,238                           | 535                        | 38                           | 39                                   | 1,971          |
| Depreciation charge for the year      | 1                                       | 21                 | 355                             | 124                        | 10                           | 3                                    | 514            |
| Disposals                             | -                                       | -                  | (55)                            | (258)                      | (1)                          | -                                    | (314)          |
| Effect of movements in exchange rates | 1                                       | 3                  | 43                              | 10                         | 2                            | (1)                                  | 58             |
| <b>Balance at 30 June 2016</b>        | <b>6</b>                                | <b>141</b>         | <b>1,581</b>                    | <b>411</b>                 | <b>49</b>                    | <b>41</b>                            | <b>2,229</b>   |

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**14. Property, plant and equipment (continued)**

|                         | Freehold/<br>leasehold<br>land<br>£'000 | Buildings<br>£'000 | Plant and<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Office<br>equipment<br>£'000 | Environ-<br>mental<br>asset<br>£'000 | Total<br>£'000 |
|-------------------------|-----------------------------------------|--------------------|---------------------------------|----------------------------|------------------------------|--------------------------------------|----------------|
| <b>Carrying amounts</b> |                                         |                    |                                 |                            |                              |                                      |                |
| At 30 June 2014         | 235                                     | 331                | 2,885                           | 671                        | 42                           | 38                                   | 4,202          |
| At 30 June 2015         | 422                                     | 280                | 3,151                           | 533                        | 31                           | 32                                   | 4,449          |
| At 30 June 2016         | 493                                     | 297                | 4,146                           | 405                        | 35                           | 28                                   | 5,404          |

**Leased plant and equipment**

The Group leases plant and equipment under a number of finance lease agreements. The leased equipment secures lease obligations. At 30 June 2016 the net carrying amount of leased plant and equipment was £202,000 (2015: £314,000). During the year, the Group acquired leased assets of £81,000 (2015: £240,000) (see note 25 and 31.2).

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**15. Intangible assets**

|                                           | Goodwill<br>£'000 | Mining<br>rights and<br>pre-<br>production<br>expenditure<br>£'000 | Exploration<br>and<br>development<br>£'000 | Total<br>£'000 |
|-------------------------------------------|-------------------|--------------------------------------------------------------------|--------------------------------------------|----------------|
| <b>Cost</b>                               |                   |                                                                    |                                            |                |
| Balance at 1 July 2014                    | 5,631             | 4,748                                                              | 1,767                                      | 12,146         |
| Additions                                 | -                 | -                                                                  | 92                                         | 92             |
| Effect of movements in exchange rates     | -                 | (107)                                                              | (209)                                      | (316)          |
| Balance at 30 June 2015                   | 5,631             | 4,641                                                              | 1,650                                      | 11,922         |
| <b>Cost</b>                               |                   |                                                                    |                                            |                |
| Balance at 1 July 2015                    | 5,631             | 4,641                                                              | 1,650                                      | 11,922         |
| Additions                                 | -                 | -                                                                  | 110                                        | 110            |
| Impairment                                | -                 | -                                                                  | (42)                                       | (42)           |
| Effect of movements in exchange rates     | -                 | 127                                                                | 350                                        | 477            |
| Balance at 30 June 2016                   | 5,631             | 4,768                                                              | 2,068                                      | 12,467         |
| <b>Amortisation and impairment losses</b> |                   |                                                                    |                                            |                |
| Balance at 1 July 2014                    | -                 | 1,715                                                              | 780                                        | 2,495          |
| Amortisation for the year                 | -                 | 160                                                                | 29                                         | 189            |
| Impairment                                | -                 | -                                                                  | -                                          | -              |
| Effect of movements in exchange rates     | -                 | 161                                                                | (92)                                       | 69             |
| Balance at 30 June 2015                   | -                 | 2,036                                                              | 717                                        | 2,753          |
| <b>Amortisation and impairment losses</b> |                   |                                                                    |                                            |                |
| Balance at 1 July 2015                    | -                 | 2,036                                                              | 717                                        | 2,753          |
| Amortisation for the year                 | -                 | 152                                                                | 40                                         | 192            |
| Impairment                                | -                 | -                                                                  | (42)                                       | (42)           |
| Effect of movements in exchange rates     | -                 | (314)                                                              | 152                                        | (162)          |
| Balance at 30 June 2016                   | -                 | 1,874                                                              | 867                                        | 2,741          |
| <b>Carrying amounts</b>                   |                   |                                                                    |                                            |                |
| Balance at 30 June 2014                   | 5,631             | 3,033                                                              | 987                                        | 9,651          |
| Balance at 30 June 2015                   | 5,631             | 2,605                                                              | 933                                        | 9,169          |
| Balance at 30 June 2016                   | 5,631             | 2,894                                                              | 1,201                                      | 9,726          |

Goodwill relates to the investment held in Gold Mineral Resources Limited and is supported by the ongoing gold recovery operations in South Africa and Ghana and the Kilimapesa mine in Kenya.

Mining rights and preproduction expenditure are amortised over the life of mine. The life of mine within the Group range between 10 and 25 years.

The exploration and development rights relate to exploration and mining licenses in Burkina Faso and Ghana, and the mining rights to the Kilimapesa mine in Kenya.

The Group has capitalised all expenditure incurred on the Kilimapesa gold mining project, the Nyieme gold mining project and the Anumso gold mining project whilst the mines are in the development phase.



# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 16. Proceeds from sale of shares in subsidiary

Consideration due on sale of 15% and 11% of the issued share capital of Goldplat Recovery (Pty) Limited:

|                                      | 2016         | 2015         |
|--------------------------------------|--------------|--------------|
|                                      | £'000        | £'000        |
| Balance at beginning of year         | 1,357        | 1,448        |
| Received from dividends              | (46)         | -            |
| Effect of movement in exchange rates | (40)         | (91)         |
| Balance at end of year               | <u>1,271</u> | <u>1,357</u> |

The proceeds from sale of shares in Goldplat Recovery (Pty) Limited, in compliance with Black Economic Empowerment legislation in South Africa, are recoverable from future dividends. They have been included at historical cost due to the uncertainty surrounding the variables required to calculate this asset at amortised cost. The directors consider that this reflects the most accurate measurement of the asset.

### 17. Non-current cash deposits

#### Group

|                          | 2016       | 2015       |
|--------------------------|------------|------------|
|                          | £'000      | £'000      |
| Non-current cash deposit | <u>160</u> | <u>233</u> |

### 18. Loans to subsidiary companies

|                                                  | 2016         | 2015         |
|--------------------------------------------------|--------------|--------------|
|                                                  | £'000        | £'000        |
| Funds advanced to Gold Mineral Resources Limited | <u>4,614</u> | <u>4,470</u> |

Interest is charged at 2% above LIBOR on the monthly outstanding balances. This interest was waived for the year ended 30 June 2016 (2015: £Nil as waived).

Loans to subsidiary companies are unsecured.

### 19. Investments

|                                              | 2016         | 2015         |
|----------------------------------------------|--------------|--------------|
|                                              | £'000        | £'000        |
| Investment in Gold Mineral Resources Limited | <u>9,425</u> | <u>9,425</u> |

Details of the Company's significant subsidiaries are outlined in note 36.

### 20. Inventories

|                                        | 2016         | 2015         |
|----------------------------------------|--------------|--------------|
|                                        | £'000        | £'000        |
| Consumable stores                      | 1,094        | 1,009        |
| Raw materials                          | 347          | 516          |
| Precious metals on hand and in process | 6,124        | 6,115        |
| Broken ore                             | 182          | 87           |
|                                        | <u>7,747</u> | <u>7,727</u> |

Amount of inventory charged as an expense was £17,177,000 (2015: £15,660,000)

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**21. Trade and other receivables**

**Group**

|                   | 2016         | 2015         |
|-------------------|--------------|--------------|
|                   | £'000        | £'000        |
| Trade receivables | 4,546        | 2,447        |
| Other receivables | 1,709        | 858          |
|                   | <u>6,255</u> | <u>3,305</u> |

**Company**

|                   | 2016      | 2015       |
|-------------------|-----------|------------|
|                   | £'000     | £'000      |
| Other receivables | 37        | 420        |
|                   | <u>37</u> | <u>420</u> |

Trade and other receivables for the Group include a balance of £679,000 which the customer is disputing. A process of investigation has been agreed to with customer regarding the toll treat agreement entered into and the resultant processing of their silver sulphide material. Based on legal advice received, management are comfortable that the balance will be collected.

The Group and Company's exposure to credit and currency risk is disclosed in note 32.

**22. Cash and cash equivalents**

**Group**

|                                                          | 2016         | 2015       |
|----------------------------------------------------------|--------------|------------|
|                                                          | £'000        | £'000      |
| Bank balances                                            | 2,148        | 630        |
|                                                          | <u>2,148</u> | <u>630</u> |
| Bank overdrafts used for cash management purposes        | (92)         | -          |
| Cash and cash equivalents in the statement of cash flows | <u>2,056</u> | <u>630</u> |

**Company**

|                                                          | 2016      | 2015      |
|----------------------------------------------------------|-----------|-----------|
|                                                          | £'000     | £'000     |
| Bank balances                                            | 94        | 15        |
| Cash and cash equivalents in the statement of cash flows | <u>94</u> | <u>15</u> |

# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 23. Capital and reserves

#### Share capital and share premium

|                                  | Number of ordinary shares |                      |
|----------------------------------|---------------------------|----------------------|
|                                  | 2016                      | 2015                 |
| On issue at 1 July               | 168,441,000               | 168,441,000          |
| Cancellation of treasury shares  | (1,000,000)               | -                    |
| On issue at 30 June – fully paid | <u>167,441,000</u>        | <u>168,441,000</u>   |
| Authorised – par value £0.01     | <u>1,000,000,000</u>      | <u>1,000,000,000</u> |

Issued share capital includes nil (2015 : 1,000,000) ordinary shares of £0.01 each held in treasury. The treasury shares were cancelled on 15 March 2016.

|                          | Ordinary share capital |               |
|--------------------------|------------------------|---------------|
|                          | 2016<br>£'000          | 2015<br>£'000 |
| Balance at 1 July        | 1,685                  | 1,685         |
| Shares cancelled in year | (10)                   | -             |
| Balance at 30 June       | <u>1,675</u>           | <u>1,685</u>  |

#### Ordinary shares

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

#### Dividends

A dividend of nil per ordinary share is proposed in respect of the year ended 30 June 2016 (2015: nil).

#### Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**24. Earnings per share**

**Basic earnings per share**

The calculation of basic earnings per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of £1,408,000 (2015: loss £892,000), and a weighted average number of ordinary shares outstanding of 168,364,288 (2015: 168,441,000), calculated as follows:

**Profit attributable to ordinary shareholders**

|                                                     | 2016                  | 2015                  |
|-----------------------------------------------------|-----------------------|-----------------------|
|                                                     | Continuing operations | Continuing operations |
|                                                     | £ '000                | £'000                 |
| Profit/(loss) attributable to ordinary shareholders | <u>1,408</u>          | <u>(892)</u>          |

**Weighted average number of ordinary shares**

|                                                       | 2016               | 2015               |
|-------------------------------------------------------|--------------------|--------------------|
| Issued ordinary shares at 1 July                      | 168,441,000        | 168,441,000        |
| Effect of treasury shares cancelled                   | (76,712)           | -                  |
| Weighted average number of ordinary shares at 30 June | <u>168,364,288</u> | <u>168,441,000</u> |

**Diluted earnings per share**

The calculation of diluted earnings per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of £1,408,000 (2015: loss £892,000), and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 185,010,536 (2015: anti-dilutive), calculated as follows:

**Profit attributable to ordinary shareholders (diluted)**

|                                                        | 2016                  | 2015                  |
|--------------------------------------------------------|-----------------------|-----------------------|
|                                                        | Continuing operations | Continuing operations |
|                                                        | £ '000                | £'000                 |
| Profit attributable to ordinary shareholders (diluted) | <u>1,408</u>          | <u>n/a</u>            |

**Weighted average number of ordinary shares (diluted)**

|                                                                 | 2016               | 2015       |
|-----------------------------------------------------------------|--------------------|------------|
| Weighted average number of ordinary shares (basic)              | 168,364,288        | n/a        |
| Effect of share options on issue                                | 16,646,248         | n/a        |
| Weighted average number of ordinary shares (diluted) at 30 June | <u>185,010,536</u> | <u>n/a</u> |

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**25. Obligations under finance leases**

|                                              | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------------------------|---------------|---------------|
| <b>Non-current liabilities</b>               |               |               |
| Finance lease liabilities                    | <u>157</u>    | <u>199</u>    |
| <b>Current liabilities</b>                   |               |               |
| Current portion of finance lease liabilities | <u>129</u>    | <u>120</u>    |

Terms and conditions of outstanding leases were as follows:

**2016**

|                                    | Currency | Nominal<br>interest<br>rate | Year of<br>maturity | Face value<br>£'000 | Carrying<br>amount<br>£ '000 |
|------------------------------------|----------|-----------------------------|---------------------|---------------------|------------------------------|
| Finance lease liabilities          | ZAR      | 10.5%                       | 2018                | <u>286</u>          | <u>286</u>                   |
| Total interest-bearing liabilities |          |                             |                     | <u>286</u>          | <u>286</u>                   |

**2015**

|                                    | Currency | Nominal<br>interest<br>rate | Year of<br>maturity | Face value<br>£'000 | Carrying<br>amount<br>£ '000 |
|------------------------------------|----------|-----------------------------|---------------------|---------------------|------------------------------|
| Finance lease liabilities          | ZAR      | 9%                          | 2017                | <u>319</u>          | <u>319</u>                   |
| Total interest-bearing liabilities |          |                             |                     | <u>319</u>          | <u>319</u>                   |

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**25. Obligations under finance leases (continued)**

**Finance lease liabilities**

Finance lease liabilities are payable as follows:

**2016**

|                            | <b>Future<br/>minimum<br/>lease<br/>payments<br/>£'000</b> | <b>Interest<br/>£'000</b> | <b>Present<br/>value of<br/>minimum<br/>lease<br/>payments<br/>£ '000</b> |
|----------------------------|------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------|
| Less than one year         | 134                                                        | 5                         | 129                                                                       |
| Between one and five years | 158                                                        | 1                         | 157                                                                       |
|                            | <u>292</u>                                                 | <u>6</u>                  | <u>286</u>                                                                |

**2015**

|                            | <b>Future<br/>minimum<br/>lease<br/>payments<br/>£'000</b> | <b>Interest<br/>£'000</b> | <b>Present<br/>value of<br/>minimum<br/>lease<br/>payments<br/>£ '000</b> |
|----------------------------|------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------|
| Less than one year         | 127                                                        | 7                         | 120                                                                       |
| Between one and five years | 200                                                        | 1                         | 199                                                                       |
|                            | <u>327</u>                                                 | <u>8</u>                  | <u>319</u>                                                                |

The average lease term is 2 years. For the year ended 30 June 2016, the average effective borrowing rate was 10.5% (2015: 9%). Interest rates are variable over the lease term and vary according to the South African prime interest rate.

The Group's obligations under finance leases are secured over the leased assets.

**26. Interest bearing borrowings**

|                                | <b>2016<br/>£'000</b> | <b>2015<br/>£'000</b> |
|--------------------------------|-----------------------|-----------------------|
| <b>Non-current liabilities</b> |                       |                       |
| Interest bearing borrowings    | <u>-</u>              | <u>56</u>             |
| <b>Current liabilities</b>     |                       |                       |
| Interest bearing borrowings    | <u>55</u>             | <u>104</u>            |

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**26. Interest bearing borrowings (continued)**

Terms and conditions of outstanding borrowings were as follows:

**2016**

|                                    | Currency | Nominal<br>interest<br>rate | Year of<br>maturity | Face value<br>£'000 | Carrying<br>amount<br>£ '000 |
|------------------------------------|----------|-----------------------------|---------------------|---------------------|------------------------------|
| Interest bearing borrowings        | ZAR      | 10.5%                       | 2018                | 55                  | 55                           |
| Total interest-bearing liabilities |          |                             |                     | <u>55</u>           | <u>55</u>                    |

Interest bearing borrowings are payable as follows:

**2016**

|                    | Future<br>minimum<br>payments<br>£'000 | Interest<br>£'000 | Present<br>value of<br>minimum<br>payments<br>£ '000 |
|--------------------|----------------------------------------|-------------------|------------------------------------------------------|
| Less than one year | 56                                     | 1                 | 55                                                   |
|                    | <u>56</u>                              | <u>1</u>          | <u>55</u>                                            |

**2015**

|                                    | Currency | Nominal<br>interest<br>rate | Year of<br>maturity | Face value<br>£'000 | Carrying<br>amount<br>£ '000 |
|------------------------------------|----------|-----------------------------|---------------------|---------------------|------------------------------|
| Interest bearing borrowings        | ZAR      | 9.25%                       | 2017                | 160                 | 160                          |
| Total interest-bearing liabilities |          |                             |                     | <u>160</u>          | <u>160</u>                   |

Interest bearing borrowings are payable as follows:

**2015**

|                            | Future<br>minimum<br>payments<br>£'000 | Interest<br>£'000 | Present<br>value of<br>minimum<br>payments<br>£ '000 |
|----------------------------|----------------------------------------|-------------------|------------------------------------------------------|
| Less than one year         | 114                                    | 10                | 104                                                  |
| Between one and five years | 57                                     | 1                 | 56                                                   |
|                            | <u>171</u>                             | <u>11</u>         | <u>160</u>                                           |

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**27. Share options**

**Reconciliation of outstanding share options**

|                         | 2016              |                | 2015              |                |
|-------------------------|-------------------|----------------|-------------------|----------------|
|                         | Number of options | Exercise price | Number of options | Exercise price |
| Outstanding at 1 July   | 8,500,000         |                | 7,500,000         |                |
| Granted during the year | 11,000,000        | 3.125p         | 1,000,000         | 6p             |
| Lapsed during the year  | (1,000,000)       |                | -                 |                |
| Outstanding at 30 June  | <u>18,500,000</u> |                | <u>8,500,000</u>  |                |

The weighted average exercise price of the exercisable options is £0.0660 (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:

|                              | Option 1  | Option 2  | Option 3  |
|------------------------------|-----------|-----------|-----------|
| Number of options granted    | 3,666,667 | 3,666,667 | 3,666,666 |
| Share price at date of grant | 1.875p    | 1.875p    | 1.875p    |
| 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 at the balance sheet date is 3 years 292 days.

**28. Provisions**

**Environmental obligation**

|                                      | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------|---------------|---------------|
| Balance at 1 July                    | 121           | 129           |
| Provisions made during the year      | 244           | -             |
| Effect of foreign exchange movements | 18            | (8)           |
|                                      | <u>383</u>    | <u>121</u>    |
| Non-current                          | 383           | 121           |
|                                      | <u>383</u>    | <u>121</u>    |

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



# **GOLDPLAT PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

### **29. Deferred taxation**

|                                      | <b>2016</b>  | <b>2015</b>  |
|--------------------------------------|--------------|--------------|
|                                      | <b>£'000</b> | <b>£'000</b> |
| Balance at 1 July                    | 459          | 430          |
| Current charge                       |              |              |
| - temporary difference               | 57           | 60           |
| Effect of foreign exchange movements | (6)          | (31)         |
|                                      | <u>510</u>   | <u>459</u>   |
| Comprising:                          |              |              |
| Capital allowances                   | 647          | 533          |
| Prepayments                          | (137)        | (74)         |
|                                      | <u>510</u>   | <u>459</u>   |

### **30. Trade and other payables**

#### **Group**

|                             | <b>2016</b>   | <b>2015</b>  |
|-----------------------------|---------------|--------------|
|                             | <b>£'000</b>  | <b>£'000</b> |
| Trade payables              | 2,666         | 1,860        |
| Amounts received in advance | 1,107         | -            |
| Accrued expenses            | 7,362         | 5,696        |
|                             | <u>11,135</u> | <u>7,556</u> |

#### **Company**

|                  | <b>2016</b>  | <b>2015</b>  |
|------------------|--------------|--------------|
|                  | <b>£'000</b> | <b>£'000</b> |
| Trade payables   | 117          | 43           |
| Accrued expenses | 30           | 30           |
|                  | <u>147</u>   | <u>73</u>    |

Amounts received in advance are secured by the trade receivable balances to which they relate.

Accrued expenses substantially relate to precious metals on hand and in process (note 20).

The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 32.

# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 31. Notes to the cash flow statement

#### 31.1 Financing cost

|                                                                   | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------------------------------|---------------|---------------|
| As per statement of profit or loss and other comprehensive income | (39)          | (807)         |
| Adjust for: Unrealised exchange loss                              | -             | 128           |
|                                                                   | <u>(39)</u>   | <u>(679)</u>  |

#### 31.2 Acquisition of property, plant and equipment

|                                                           | 2016<br>£'000  | 2015<br>£'000 |
|-----------------------------------------------------------|----------------|---------------|
| Additions for the year                                    | (1,365)        | (1,149)       |
| Adjust for: Additions acquired on hire purchase (note 14) | 81             | 240           |
|                                                           | <u>(1,284)</u> | <u>(909)</u>  |

### 32. Financial instruments

#### Financial risk management

The Group's and Company's operations expose it to a variety of financial risks. Exposure to credit, interest rate and currency risks arises in the normal course of the Group's and Company's business. The Group and Company has in place a risk management programme that seeks to limit the adverse effect of such risks on its financial performance which is provided below.

#### Credit risk

Credit risk is the risk of financial loss to the Group or Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management has a credit policy in place of and the exposure to credit risk is monitored on an ongoing basis. The Group primarily deals with reputable mining houses and is unlikely to suffer any losses from this risk.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

#### Group

|                             | Carrying amount |               |
|-----------------------------|-----------------|---------------|
|                             | 2016<br>£'000   | 2015<br>£'000 |
| Trade and other receivables | 6,255           | 3,305         |
| Cash and cash equivalents   | 2,308           | 863           |
|                             | <u>8,563</u>    | <u>4,168</u>  |

## GOLDPLAT PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

#### 32. Financial instruments (continued)

##### Credit risk (continued)

##### Exposure to credit risk (continued)

##### Company

|                           | Carrying amount |           |
|---------------------------|-----------------|-----------|
|                           | 2016            | 2015      |
|                           | £'000           | £'000     |
| Loans to subsidiary       | 4,614           | 4,470     |
| Cash and cash equivalents | <u>94</u>       | <u>15</u> |

##### Liquidity risk

Liquidity risk is the risk that the Group or Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group reviews its facilities regularly to ensure it has adequate funds for operations and expansion plans.

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**32. Financial instruments (continued)**

**Liquidity risk (continued)**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

**Group**

**2016**

|                                             | Carrying<br>amount<br>£'000 | Contractual<br>cash flows<br>£'000 | 2 months or<br>less<br>£'000 | 2-12 months<br>£'000 | 1-2 years<br>£'000 |
|---------------------------------------------|-----------------------------|------------------------------------|------------------------------|----------------------|--------------------|
| <b>Non-derivative financial liabilities</b> |                             |                                    |                              |                      |                    |
| Finance lease liabilities                   | 286                         | (295)                              | (18)                         | (90)                 | (187)              |
| Interest bearing borrowings                 | 55                          | (55)                               | (10)                         | (45)                 | -                  |
| Trade and other payables                    | 11,135                      | (11,135)                           | (3,950)                      | (7,185)              | -                  |
| Bank overdraft                              | 92                          | (92)                               | (92)                         | -                    | -                  |
|                                             | <u>11,568</u>               | <u>(11,577)</u>                    | <u>(4,070)</u>               | <u>(7,320)</u>       | <u>(187)</u>       |

**2015**

|                                             | Carrying<br>amount<br>£'000 | Contractual<br>cash flows<br>£'000 | 2 months or<br>less<br>£'000 | 2-12 months<br>£'000 | 1-2 years<br>£'000 |
|---------------------------------------------|-----------------------------|------------------------------------|------------------------------|----------------------|--------------------|
| <b>Non-derivative financial liabilities</b> |                             |                                    |                              |                      |                    |
| Finance lease liabilities                   | 319                         | (327)                              | (20)                         | (100)                | (207)              |
| Interest bearing borrowings                 | 160                         | (171)                              | (17)                         | (87)                 | (67)               |
| Trade and other payables                    | 7,556                       | (7,556)                            | (2,680)                      | (4,876)              | -                  |
| Bank overdraft                              | -                           | -                                  | -                            | -                    | -                  |
|                                             | <u>8,035</u>                | <u>(8,054)</u>                     | <u>(2,717)</u>               | <u>(5,063)</u>       | <u>(274)</u>       |

**GOLDPLAT PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

**32. Financial instruments (continued)**

**Liquidity risk (continued)**

**Company**

**2016**

|                                             | Carrying<br>amount<br>£'000 | Contractual<br>cash flows<br>£'000 | 2 months or<br>less<br>£'000 | 2-12 months<br>£'000 | 1-2 years<br>£'000 |
|---------------------------------------------|-----------------------------|------------------------------------|------------------------------|----------------------|--------------------|
| <b>Non-derivative financial liabilities</b> |                             |                                    |                              |                      |                    |
| Trade payables                              | 147                         | (147)                              | (75)                         | (72)                 | -                  |
|                                             | <u>147</u>                  | <u>(147)</u>                       | <u>(75)</u>                  | <u>(72)</u>          | <u>-</u>           |

**2015**

|                                             | Carrying<br>amount<br>£'000 | Contractual<br>cash flows<br>£'000 | 2 months or<br>less<br>£'000 | 2-12 months<br>£'000 | 1-2 years<br>£'000 |
|---------------------------------------------|-----------------------------|------------------------------------|------------------------------|----------------------|--------------------|
| <b>Non-derivative financial liabilities</b> |                             |                                    |                              |                      |                    |
| Trade payables                              | 73                          | (73)                               | (73)                         | -                    | -                  |
|                                             | <u>73</u>                   | <u>(73)</u>                        | <u>(73)</u>                  | <u>-</u>             | <u>-</u>           |

# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 32. Financial instruments (continued)

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Due to the nature of the Group's operations, it is mainly exposed to the following risks:

- fluctuations in the price of gold; and
- exchange rate risk at its operations

The following applied to the financial years presented in these financial statements:

#### 2016

|                        | High   | Low    | Average |
|------------------------|--------|--------|---------|
| Gold price – USD/oz    | 1,325  | 1,049  | 1,167   |
| Rand/USD exchange rate | 16.84  | 12.20  | 14.51   |
| GBP/USD exchange rate  | 1.58   | 1.33   | 1.48    |
| GHC/USD exchange rate  | 4.41   | 3.28   | 3.90    |
| Kshs/USD exchange rate | 107.75 | 101.12 | 103.77  |

#### 2015

|                        | High   | Low   | Average |
|------------------------|--------|-------|---------|
| Gold price – USD/oz    | 1,342  | 1,144 | 1,229   |
| Rand/USD exchange rate | 12.60  | 10.52 | 11.40   |
| GBP/USD exchange rate  | 1.46   | 1.72  | 1.58    |
| GHC/USD exchange rate  | 4.45   | 3.20  | 3.54    |
| Kshs/USD exchange rate | 100.87 | 87.75 | 92.49   |

#### Sensitivity analysis

The Group has applied the following assumptions in its sensitivity analysis:

#### 2016

|                                    | High case<br>scenario | Low case<br>scenario |
|------------------------------------|-----------------------|----------------------|
| Gold price – USD/oz                | 1,325                 | 1,049                |
| Rand/USD exchange rate             | 16.84                 | 12.20                |
| GBP/USD exchange rate              | 1.58                  | 1.33                 |
| GHC/USD exchange rate              | 4.41                  | 3.28                 |
| Kshs/USD exchange rate             | 107.75                | 101.12               |
| Equivalent Rand price per kilogram | 716,994               | 411,716              |
| Equivalent GBP price per kilogram  | 27,035                | 25,346               |
| Equivalent GHC price per kilogram  | 187,900               | 110,748              |
| Equivalent Kshs price per kilogram | 4,588,386             | 3,411,581            |

# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 32. Financial instruments (continued)

#### Market risk (continued)

#### Sensitivity analysis (continued)

2015

|                                    | High case<br>scenario | Low case<br>scenario |
|------------------------------------|-----------------------|----------------------|
| Gold price – USD/oz                | 1,342                 | 1,144                |
| Rand/USD exchange rate             | 13.00                 | 10.00                |
| GBP/USD exchange rate              | 1.50                  | 1.80                 |
| GHC/USD exchange rate              | 4.50                  | 3.00                 |
| Kshs/USD exchange rate             | 105.00                | 83.00                |
| Equivalent Rand price per kilogram | 560,797               | 367,683              |
| Equivalent GBP price per kilogram  | 28,759                | 20,427               |
| Equivalent GHC price per kilogram  | 194,122               | 110,305              |
| Equivalent Kshs price per kilogram | 4,529,511             | 3,051,773            |

#### The Group's sensitivity to market risk

The following tables illustrate the Group's sensitivity to these risks based on the above assumptions:

2016

|                                                                                              | High case<br>scenario<br>£'000 | Low case<br>scenario<br>£'000 |
|----------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Effect on the results and equity for the year<br>based on these assumptions would have been: |                                |                               |
| - Gold Recovery Ghana Limited                                                                | 2,316                          | (1,964)                       |
| - Goldplat Recovery (Pty) Limited                                                            | 4,822                          | (3,713)                       |
| - Kilimapesa Gold (Pty) Limited                                                              | 279                            | (193)                         |

2015

|                                                                                              | High case<br>scenario<br>£'000 | Low case<br>scenario<br>£'000 |
|----------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Effect on the results and equity for the year<br>based on these assumptions would have been: |                                |                               |
| - Gold Recovery Ghana Limited                                                                | 1,083                          | (586)                         |
| - Goldplat Recovery (Pty) Limited                                                            | 3,411                          | (2,551)                       |
| - Kilimapesa Gold (Pty) Limited                                                              | 382                            | (262)                         |

#### Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than GBP. The currencies giving rise to this risk are primarily the US Dollar ("USD"), South African Rand ("ZAR"), Ghanaian Cedi ("GHS"), CFA Franc and the Kenyan Shilling.

#### Interest rate risk

The Group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis.

## **GOLDPLAT PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

#### **32. Financial instruments (continued)**

##### **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.

##### **Capital management**

The Group's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued production and maintenance at the processing plants and to acquire, explore and develop other precious and base metal deposits in Africa.

The Group considers its capital to be shareholders' equity which comprises share capital and retained earnings, which at 30 June 2016 totalled £24,069,000 (2015 £23,051,000).

#### **33. Capital commitments**

There were no capital commitments as at 30 June 2016 (2015: £nil).

#### **34. 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. The directors remain confident of a favourable outcome.



# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 35. Related parties

Other than the waiver of intercompany interest, transactions with related parties take place on terms no more favourable than transactions with unrelated parties.

#### Other related party transactions

##### Transactions with Group companies

The Group's subsidiary Gold Mineral Resources Limited had the following related party transactions and balances:

|                                          | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------|---------------|---------------|
| <b>Goldplat plc</b>                      |               |               |
| - Loans and borrowings                   | (4,614)       | (4,470)       |
| - Trade and other payables               | -             | (336)         |
| - Goods, equipment and services received | (144)         | -             |
| <b>Kilimapesa Gold (Pty) Limited</b>     |               |               |
| - Loans and borrowings                   | 3,327         | 2,153         |
| <b>Nyieme Gold SARL</b>                  |               |               |
| - Loans and borrowings                   | 1,198         | 1,022         |
| <b>Anumso Gold Limited</b>               |               |               |
| - Loans and borrowings                   | 79            | 67            |
| <b>Midas Gold SARL</b>                   |               |               |
| - Loans and borrowings                   | 417           | 356           |
| <b>Goldplat Recovery (Pty) Limited</b>   |               |               |
| - Loans and borrowings                   | (44)          | (34)          |

The Group's subsidiary Goldplat Recovery (Pty) Limited had the following related party transactions and balances:

|                                          | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------|---------------|---------------|
| <b>Kilimapesa Gold (Pty) Limited</b>     |               |               |
| - Trade and other receivables            | 658           | 464           |
| - Goods, equipment and services supplied | 532           | 330           |
| <b>Gold Recovery Ghana Limited</b>       |               |               |
| - Trade and other receivables            | 575           | 231           |
| - Goods, equipment and services supplied | 346           | 196           |
| - Purchase of precious metals            | (4,459)       | (1,805)       |
| - Trade and other payables               | (295)         | (1)           |
| <b>Gold Mineral Resources Limited</b>    |               |               |
| - Goods, equipment and services supplied | 9             | -             |
|                                          | -             | 15            |
| <b>Anumso Gold Limited</b>               |               |               |
| - Trade and other receivables            | 8             | 4             |
| - Goods, equipment and services supplied | 3             | 4             |

The carrying value of these assets approximates to their fair value and require no impairment.

# **GOLDPLAT PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**

### **35. Related parties (continued)**

#### **Other related party transactions (continued) Transactions with Group companies (continued)**

The Group's subsidiary, Gold Recovery Ghana Limited had the following related party transactions and balances in addition to those already noted:

|                                          | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------|---------------|---------------|
| <b>Nyieme Gold SARL</b>                  |               |               |
| - Trade and other receivables            | 35            | 28            |
| - Goods, equipment and services supplied | 17            | 34            |
| <b>Kilimapesa Gold (Pty) Limited</b>     |               |               |
| - Trade and other receivables            | -             | 1             |
| - Sale of asset                          | 225           | -             |
| <b>Anumso Gold Limited</b>               |               |               |
| - Trade and other receivables            | 15            | 3             |
| - Goods, equipment and services supplied | 11            | -             |

The Group's subsidiary Midas Gold had the following related party transactions and balances in addition to those already noted:

|                               | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------|---------------|---------------|
| <b>Nyieme Gold SARL</b>       |               |               |
| - Trade and other receivables | -             | 8             |
| - Trade and other payables    | -             | (8)           |

#### **Other transactions**

The Group's subsidiary Gold Mineral Resources had the following related party transactions and balances in addition to those already noted:

|                            | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------|---------------|---------------|
| <b>Directors</b>           |               |               |
| - Trade and other payables | (69)          | (90)          |

# GOLDPLAT PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 36. Group entities

#### Subsidiaries

|                                 | Activity        | Country of incorporation | Ownership interest |      |
|---------------------------------|-----------------|--------------------------|--------------------|------|
|                                 |                 |                          | 2016               | 2015 |
| <b>Directly</b>                 |                 |                          |                    |      |
| Gold Mineral Resources Limited  | Holding company | Guernsey                 | 100%               | 100% |
| <b>Indirectly</b>               |                 |                          |                    |      |
| Gold Recovery Ghana Limited     | Gold recovery   | Ghana                    | 100%               | 100% |
| Kilimapesa Gold (Pty) Limited   | Mining minerals | Kenya                    | 100%               | 100% |
| Anumso Gold Limited             | Mining minerals | Ghana                    | 100%               | 100% |
| Nyieme Gold SARL                | Mining minerals | Burkina Faso             | 100%               | 100% |
| Goldplat Recovery (Pty) Limited | Gold recovery   | South Africa             | 74%                | 74%  |
| Midas Gold SARL                 | Gold recovery   | Burkina Faso             | 100%               | 100% |

The following summarised financial information is in respect of Goldplat Recovery (Pty) Limited which has a 26% non-controlling interest:

|                             | 2016   | 2015   |
|-----------------------------|--------|--------|
|                             | £'000  | £'000  |
| Total Assets                | 14,332 | 10,335 |
| Total Liabilities           | 7,783  | 5,119  |
| Profit for the year         | 1,358  | 965    |
| Cash flow movements in year | (409)  | (188)  |

### 37. Subsequent events

On 14 September 2016 Goldplat executed an earn-in option agreement (the "Agreement") with Ashanti Gold Corp. ("Ashanti") (formerly Gulf Shore Resources Ltd) which gives Ashanti the option for a US\$3 million earn-in to Goldplat's 90% owned Anumso Gold Project in Ghana (the "Project").

Goldplat has a 90% interest in Anumso Gold Limited ("Anumso"), which is the holder of a ten-year renewable mining lease for gold and associated minerals covering an area of 29 sq km and located in the highly prospective Amansie East and Asante Akim South Districts of the Ashanti Region of the Republic of Ghana. The Project has a current JORC compliant resource of 166,865 oz of gold at 2.04g/t. In the year to 30 June 2016, the loss attributable to the Project was £5,539.

The Agreement provides Ashanti with the exclusive option to earn 75% of Goldplat's interest in Anumso in two instalments by expending an aggregate of US\$3.0 million on exploration on the Project.

The Agreement provides for two option periods. During the first 18 months of the Agreement (the "Initial Option Period") Ashanti will be given the option to earn 51% of Goldplat's interest in the Project by expending US\$1.5 million on exploration on the Project (the "Initial Option"). Ashanti has the unilateral power to terminate the Agreement within the first 6 months of the Initial Option Period, and expenditure on the Project during this period will be at its sole discretion. Should Ashanti not exercise its right to terminate the Agreement during the first six months, it will be obliged to expend US\$1.5 million on Project expenditure during the Initial Option Period or pay the deficiency to Goldplat. Should Ashanti meet the expenditure

## GOLDPLAT PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

condition within the Initial Option Period, it will be entitled immediately to exercise its option and receive an initial 51% of Goldplat's interest in the Project.

#### 37. Subsequent events (continued)

Conditional upon exercising the Initial Option, Ashanti will be entitled to give Goldplat notice that it intends to invest further in the project, which will trigger a second period of 12 months (the "Subsequent Option Period") in which it will be given the option to earn an additional 24% of Goldplat's interest by expending a further US\$1.5 million on exploration on the Project during the Subsequent Option Period or by paying the deficiency to Goldplat (the "Subsequent Option"). Expenditure during the Subsequent Option Period will be at Ashanti's sole discretion and will not be reimbursable if Ashanti does not exercise the Subsequent Option. Should Ashanti meet the expenditure condition within the Subsequent Option Period, it will be entitled immediately to exercise its option and receive a further 24% of Goldplat's interest in Anumso.

Ashanti will be the operator of the exploration and development program during the option periods, with a Joint Technical Committee being established to agree upon the work programmes. If Ashanti does not give Goldplat notice to trigger the Subsequent Option Period, or once the Subsequent Option has been exercised, a Mining Company will be formed, under a Joint Venture Agreement and the mining license will be assigned to this Company. Both parties will contribute pro-rata to further development with either non-contributing party being diluted. If either party is diluted to 10%, this interest will be converted into a 1.5% Net Smelter Return ("NSR"), which can be bought out by the other party for US\$100,000 per 0.1% NSR, for an aggregate of US\$1.5 million.