



GOLDPLAT

ANNUAL REPORT 2017

Profitable gold producer combining sophisticated precious metal recovery facilities in South Africa and Ghana with primary gold mining in Kenya

OPERATIONS / CORPORATE

- Significant increase in operating profitability from continuing operations in FY 2017 following the successful turnaround strategy at Kilimapesa Gold Mine, meaning by the end of the last quarter of the year, all operations were operating profitably
- Increased gold equivalent production highlights the continued and steady growth of the business - Goldplat produced 42,857 ounces of gold during the year, marking a 13.8% increase on 2016 (2016: 37,666 ounces), which follows a 23.3% increase from 2015
- Recovery operations produced 39,449 gold equivalent ounces (2016: 35,661 ounces)
- Kilimapesa Mine produced 3,408 ounces of gold (2016: 2,005 ounces) - the increased processing capacity was only seen towards the end of FY 2017 meaning further upside expected with in excess of 5,800oz targeted during FY 2018
- Actual sales were 40,285 gold equivalent ounces (2016: 40,763 ounces)
- 34,112 gold equivalent ounces sold for own account (2016: 27,538 ounces)
- 6,173 gold equivalent ounces transferred to clients (2016: 13,225 ounces)
- Committed to maintaining active growth strategy to build production and profitability:

GOLD RECOVERY:

- Work well advanced to increase geographical reach, by establishing Ghana as an international recovery hub, with material already being imported from elsewhere in Africa and South America and opportunities identified in North America
- Opportunity to diversify metal focus - platinum group metals trials continuing in South Africa
- Potential to maximise environmental value by offering mining "clean-up" services processing by-products with contaminants such as mercury - investigating a major project with the Ghanaian Government to assist in the clean-up of artisanal mining tailings

PRIMARY MINING:

- Focussed on driving increased production at Kilimapesa
- Targeting expansion by considering opportunities to gain interests in producing or near-production assets
- Non-core exploration portfolio:
 - TSX quoted Ashanti Gold Corp has the option to earn up to 75% of Goldplat's interest in the Anumso Gold Project in Ghana by expending US\$3million on exploration work at the project
 - Strategic decision to write off Nyieme Gold Project in Burkina Faso having found the project to be too small scale to be economically viable
 - Matthew Robinson appointed as Chairman - bolsters the experienced management team

FINANCIALS

- 140% increase in operating profit from continuing operations to £2,910,000 (2016: £1,212,000)
- 43% increase in profit before tax from continuing operations to £2,836,000 (2016: £1,988,000)
- Strong performance continues to be reported at the Group's recovery subsidiaries:
 - Goldplat Recovery (Pty) Ltd - South Africa - 36% increase in profit after tax to £2,420,000 (2016: £1,777,000)
 - Gold Recovery Ghana Limited - Ghana - 169% increase in profit after tax to £1,177,000 (2016: £437,000)
 - Kilimapesa Gold (Pty) Limited reported a net loss of £1,100,000 for the year (2016: loss of £711,000) as the benefits of increased production capacity were only realised during the second half of FY 2017. In FY 2017 revenue increased to £3,150,000 (2016: £156,000), with operating profit achieved towards the end of the year
 - Nyieme exploration project discontinued and development cost of £955,000 written-off, with no cashflow impact in current period.
- Total comprehensive income for the year still higher than comparative year at £1,989,000 (2016: £1,897,000)
- Net cash position of £2,650,000 as at 30 June 2017 (£2,056,000 as at 30 June 2016)





1 Gold Recovery Ghana Limited GHANA

Produced **10,031oz Au**
(FY 2016: 6,883oz Au)



2 Goldplat Recovery (Pty) Limited SA SOUTH AFRICA

Produced **29,418oz Au**
(FY 2016: 28,778oz Au)



3 Kilimapesa Gold Mine KENYA

Produced **3,408oz Au**
(FY 2016: 2,005oz Au)

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Chairman's Statement

I am pleased to report in my first Chairman's statement continued growth in profits from operating activities and progress in our strategic objectives. Our revenue generating assets comprise sophisticated precious metal recovery facilities in South Africa and Ghana and gold mining in Kenya. Results from operating activities for the year from continued operations have crucially increased to £2,910,000 (2016: £1,212,000) underpinning the growing strength of our business and in the final part of the year under review all three operations were making a positive contribution to profitability, with our long-term investment in our Kilimapesa Gold Mine in Kenya now starting to produce worthwhile results. This has, accordingly been a very positive year for our Company and I am pleased to report that our growth initiatives are set to continue as we remain focused on further building production and profitability.

Strategically, we continue to seek to diversify; this diversification is in sourcing material for our processing operations, both geographically and in material types, and in the balance between our recovery and our mining activities. Regarding our recovery operations, we have been active in South America and are encouraged by the opportunities for sourcing materials we see there. We are also active in West and East Africa and considering further opportunities in North America.

We have been continuing to invest in the businesses, sustaining and upgrading equipment in South Africa, developing new processing capacities in Ghana and installing the new, higher capacity, processing circuit in Kenya. We have borrowed modestly and conservatively to develop the Kenyan operations but otherwise investment has been financed, as it has now been for many years, from internally generated cash flows. We have shown the discipline to manage our resources and consider investment opportunities with care; if we see compelling opportunities which require additional capital we will of course consider that also.

Your board of directors has seen a number of changes during the period. In October 2016 my predecessor Brian Moritz retired; Brian had been Chairman since the Company's admission to AIM in 2006 and the Group is grateful for his guidance and enthusiasm over those years. In light of his departure, at the annual general meeting held in October 2016 shareholders elected me to the board. I am delighted to have joined Goldplat at a time of growth, and look forward to stewarding the Company forward to maintain our active development approach in order to create meaningful value. In June 2017 we were pleased to welcome Sango Ntsaluba and Werner Klingenberg to the board. Alongside a distinguished auditing career, Sango has extensive corporate experience in both the public and private sectors and is executive chairman of a diversified investment holding group. Werner is a Chartered Accountant and, having worked in the Group for two years has exemplary knowledge of our Company; we are accordingly delighted he has taken on the role of Goldplat's Finance Director.

As a Group we aim to engage positively with the governmental, regulatory and community structures where we operate. We believe that we make a significant contribution where we operate, both financially in terms of fiscal contributions, employment, skills upgrading and local purchasing, as well as by operating high standards of environmental and health and safety protocols. There are currently proposed changes in South Africa in relation to the ownership and operation of entities in the mining sector and we will monitor and assess how best to respond as the situation develops.

We have recently instituted a new programme to engage further with our shareholders. In August this year, the executive team hosted a conference call at which shareholders, and potential shareholders, were invited to question management. We were delighted with the response from shareholders and we intend to offer this opportunity regularly in future. Additionally we will be hosting on Goldplat's website a Q&A document addressing shareholder questions on the Group and its businesses. I therefore urge shareholders to take advantage of this initiative, send us questions you have and participate in the calls.

Running and growing our businesses profitably requires constant and close attention to detail in sourcing, operations and cost control. I would therefore like to acknowledge and thank management, staff and advisors across the Group, in South Africa, in Ghana, in Kenya and in the UK, for all their efforts over the year.

Matthew Robinson
Chairman

26 September 2017

Operations Report

Introduction

I am pleased to report that the turnaround in Goldplat continues and good progress has been achieved on all strategic initiatives during FY 2017. The progress of the Group can be summarised by my statements over the past few years: in 2015, I reported that Goldplat had laid the foundations for a turnaround of the Group's performance and a return to profitability; in 2016 I reported that we had laid the foundations for growth and diversification; now Goldplat is executing the strategy of growth and diversification and expects continued improvements in production and profitability.

With most major capital projects having been completed during the previous year, the three priorities for FY 2017 included a focus on procurement; developing business opportunities in South America and returning Kilimapesa Gold (Pty) Limited ('Kilimapesa') to profitability through a processing plant expansion project. I am pleased to report that during FY 2017 the Group has made good progress on all of these strategic priorities.

Major capital projects for FY 2018 include the continued expansion at Kilimapesa as well as the installation of an elution plant at Gold Recovery Ghana Limited ('GRG'). The Group is also undertaking numerous research projects on the recovery side of our operation, with a view to diversifying processes and products and creating niches in the industry so as to ensure continued competitiveness. Some of these projects may develop to the point during FY 2018 where capital is required for further development.

Areas of Strategic Focus

With the three areas of strategic focus identified for FY 2017 proceeding well and ongoing, the following additional strategic areas of priority were identified during the year:

- With the processing plant expansion at Kilimapesa progressing well, the focus is now to ensure that the underground operations produce sufficient, quality ore to fill the milling capacity at the new processing plant.
- Changing market dynamics over the past few years have resulted in the mix of profitability at Goldplat Recovery (Pty) Ltd ('GPL') evolving to a point where the carbon-in-leach ('CIL') circuits now offer the best profitability for this business. The focus therefore is to ensure that sources of appropriate quality material for all of the CIL circuits are secured and strategic stockpiles built up.
- At Gold Recovery Ghana Limited ('GRG') the carbon processing business remains key. Prospects of procuring sufficient appropriate quality carbon material within Ghana are unpredictable and hence procurement in South America, West Africa and elsewhere in Africa is of utmost strategic importance.

Goldplat is of the opinion that, strategically, production from recovery operations needs to be complemented by production from primary mining and has set a target of building primary mining production to match that of the recovery operations over a three-year period. Whereas there are a lot of assets available on the market, Goldplat is focused on seeking producing, or near-production assets, which are value-accretive to existing shareholders.

Operations Report

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Gold Production and Sales

The table below provides a summary of gold and gold equivalent production and sales for FY 2017, with comparisons to FY 2016. During the year overall production was 42,857 ounces (FY 2016: 37,666) and sales and transfers totaled 40,285 ounces (FY 2016: 40,763). Gold and gold equivalent ounces sold on the Group's own account was 34,112 (FY 2016: 27,538) and that transferred to clients was 6,173 ounces (FY 2016: 13,225).

The increase in gold and gold equivalent production of 13.7% over the year (2016) follows a 23.3% increase to 2015 and demonstrates a continued and steady growth of the business. Production grew at all operations with the most notable growth coming from Kilimapesa as a result of the plant expansion project and from GRG, reflecting increased production from sources outside of Ghana. Production at GPL was once again boosted by a large project executed for a large African producer during the year.

Goldplat Plc Gold Equivalent Oz Reported June 2017

	Year ending June 2017 Equivalent Gold kg	Year ending June 2017 Equivalent Gold oz	Year ending June 2016 Equivalent Gold kg	Year ending June 2016 Equivalent Gold oz
Goldplat Plc Consolidated				
Gold Equivalent Production				
Goldplat Recovery	915	29,418	895	28,778
Gold Recovery Ghana	312	10,031	214	6,883
Kilimapesa Gold	106	3,408	62	2,005
Total	1,333	42,857	1,171	37,666
Gold Equivalent Sold				
Goldplat Recovery	702	22,570	516	16,575
Gold Recovery Ghana	259	8,327	279	8,964
Kilimapesa Gold	100	3,215	62	1,999
Total	1,061	34,112	857	27,538
Gold Equivalent Transferred				
Goldplat Recovery	192	6,173	411	13,225
Total	192	6,173	411	13,225
Gold Equivalent Sold and Transferred				
Goldplat Recovery	894	28,743	927	29,800
Gold Recovery Ghana	259	8,327	279	8,964
Kilimapesa Gold	100	3,215	62	1,999
Total	1,253	40,285	1,268	40,763

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 in South Africa and Ghana as well as numerous producers from elsewhere in the world and 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) Ltd – South Africa

GPL is a well-established operation based near Johannesburg in South Africa, serving clients 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, CIL, elution, incineration, flotation, spiralling and shotblasting.

During FY 2017 GPL produced 29,418 ounces of gold and gold equivalent (FY 2016: 28,778) of which 22,570 ounces were produced for its own account (FY 2016: 16,575) and 6,173 ounces were transferred to clients (FY 2016: 13,225).

Sourcing of material remained an area of strategic focus at GPL during FY 2017. The mining industry in South Africa remains under pressure and closure of mining operations with consequent reduction in production took place throughout the year and is expected to continue. The major impact to date has been on the gold mines, with this gradual decrease in gold production resulting in a decrease in availability of by-product material for GPL. Goldplat believes that its "base" production level from traditional South African sources is around FY 2015 levels of 22,000 ounces of gold and gold equivalents. In FY 2016 the Rand Refinery silver sulphide tolling project added significantly to this base level and in FY 2017 a large one-off batch of carbon from a new African client was processed. In order to keep production levels at around the 29,000 ounces of gold and gold equivalent level, GPL has to ensure that it sources and processes similar large one-off by-product projects every year.

With production from the CIL circuits becoming more strategically important than from the by-product streams, focus is now on procuring long-term supplies of material to feed these circuits. Numerous projects are underway in partnership with existing clients and a large strategic batch of material was procured during FY 2017. Metallurgical test work is being conducted on this material to improve recovery rates and profitability. As a result of the strengthened strategic sourcing team, smaller precious metal producers are now also being visited to source by-products in addition to those received from the large mining companies. Volumes at the smaller operators are lower compared to the larger mining companies but increases our footprint as service provider of choice.

With all major capital projects having been completed during FY 2016, capital expenditure during the year was primarily on sustaining capex. During the year the cyclone sections and kiln seals on one of the rotary kilns were replaced and a new mill was installed in the high grade CIL section.

Metallurgical test work and pilot tests on the stock dam/tailings storage facility material continue; this has a JORC-compliant resource (refer announcement 29 January 2016) of 81,959 ounces of gold, 216,094 ounces of silver and 193,276 pounds of U₃O₈(uranium oxide) and accordingly we believe it has significant value potential. Alongside this, the process of securing the West 3 Pit for deposition of tailings continues but with the different interests of the various stakeholders and the changing regulatory environment, the approval process is taking longer than initially anticipated. The Company remains confident that the logistical and regulatory issues will be overcome and the pit will be secured.

Operations Report

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No resolution regarding the Rand Refinery dispute was reached during the year. Goldplat now has working arrangements with four different refiners with each product having potential for refining at one of at least three places, including GPL itself. Goldplat is confident that the previous single refiner risk has been mitigated and proceeded with legal action against Rand Refinery on 11 September 2017.

On 15 June, 2017 the Broad Based Socio-Economic Empowerment Charter for the South African mining and minerals industry, 2017, (the '2017 Charter') was announced and gazetted in South Africa. The 2017 Charter aims to introduce far-reaching, new, and in some cases, radical measures and requirements on the industry. GPL is compliant with the preceding Charter, and if the 2017 Charter is implemented, certain changes will be required to maintain compliance, primarily in respect of: (i) the increased mandatory Black Economic Empowerment shareholding which is currently set at 26%, but is proposed to be increased to 30%, and (ii) in the required make-up of management demographics. Further to an interdict application brought by the Chamber of Mines against implementation of the Charter, the Minister of Mineral Resources has undertaken not to implement or apply the provisions of the 2017 Charter pending judgment on the interdict. Goldplat and GPL will monitor this issue and will keep shareholders informed as to progress and the possible impact on the Company as the process unfolds.

Gold Recovery Ghana Limited – Ghana

GRG's gold recovery operation, which had a tax-free status until December 2016, and a favourable tax rate thereafter of 15%, is located in the free port of Tema in Ghana. Processing facilities include a spiraling 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 one of the Group's refinery partners. 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.

During FY 2017 GRG produced 10,031 ounces of gold (FY 2016: 6,883) of which 8,327 ounces were produced for its own account (FY 2016: 8,964).

With sources of material from within Ghana continuing to deplete for various reasons, focus during the year remained on sourcing from outside of the country. Momentum in this regard is picking up with contracts secured from elsewhere in Africa as well as South America. The Company has been sourcing and shipping material on a regular basis from various individual suppliers in South America since the second half of 2016 and good progress was made on contract negotiations during FY 2017. The first significant recurring contract was signed with initial shipments of 360 tonnes of carbon underway to Ghana and shipments of rubber mill liners being finalised.

A complete, second-hand 3-tonne elution plant was acquired from a producer in South Africa for ZAR 2 million (approximately US\$1.55k). This plant is modular, complete with all ancillary equipment and will more than meet the requirement of the Ghanaian operations. As such, it was deemed a better option than moving an existing 4-tonne plant from GPL to GRG and the purchase of the required ancillary equipment and infrastructure. It is estimated that the final cost of installation will be in the order of US\$1m, compared to the initial estimate of US\$2m for the plant from GPL. During the last quarter of FY 2017, the acquired elution plant was dismantled, moved to GPL for refurbishment and is now in the process of being shipped to Ghana. Installation and commissioning is expected to be significantly quicker than per previous plans, with commissioning now planned for the end of December 2017, six months ahead of the milestone date stipulated by the Ghanaian Government in accordance with the Company's license renewal terms.

A third fluidised bed incinerator, which was purchased second-hand from an operator in Tanzania is currently being transported for shipment to GRG.

Focus was put into improving security at the plant and also in processing the large stockpiles of low-grade material. These projects are ongoing and contribute to ensuring space and a secure environment for planned increased production at GRG in the future.

GRG is investigating a major project with the Ghanaian Government to assist in clean-up of artisanal mining tailings. The Company is conducting extensive sampling programmes to assess both gold as well as contaminant (mainly mercury and cyanide) content and is simultaneously investigating the most efficient processing methods so as to recover gold and deal with contaminants in an environmentally acceptable manner (in compliance with acceptable global standards).

Goldplat's Mining and Exploration

Kilimapesa Gold (Pty) Limited – Kenya

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 (refer announcement 12 December 2012) of 8,715,291 tonnes at 2.40 g/t of gold for a total of 671,446 ounces of gold at a cut-off of 1 g/t.

Kilimapesa made operational profits during the last two months of FY 2017 the first time in the ten years since acquisition. This has been made possible primarily due to the substantial completion during the year of an additional processing plant ('Plant 2'), but also as a result of continued cost cutting and process efficiency improvements across the operation.

Kilimapesa produced 3,408 ounces of gold during the year (FY 2016: 2,005 ounces), of which 3,215 ounces of gold were sold during the period (FY 2016: 1,999 ounces). Significantly, 1,254 ounces of gold was produced during the last quarter of the year and an annualised production rate of roughly 5,800 ounces of gold was achieved in the last two months of the year – a rate which is sustainable with current infrastructure.

During FY 2016 it was decided by the Board to invest in the expansion of processing capacity at Kilimapesa, at an overall capital expenditure in the order of US\$2 million. During that year a CIL plant from GRG was deconstructed and shipped to Kenya for installation and commissioning at Kilimapesa, and two matching second-hand ball mills were also acquired in South Africa for installation at the mine. These would be used to construct the new Plant 2, and during 2017 the site for construction was chosen to be near to Kilimapesa Hill, from which the mined ore would be sourced. All necessary regulatory approvals were also obtained during the period.

During 2017 Goldplat a three stage development plan to construct Plant 2 and build production. Stage One included the installation of a generator, the first of the two ball mills, a concentrator facility, thickener and six CIL tanks from GRG, as well as the construction of a borrow pit for initial tailings deposition and the site preparation and key cut for the final tailings storage facility ('TSF'). As the crusher circuit was planned for Stage Two, a stockpile of fine ore was created during Stage One construction to facilitate commissioning and production during Stage Two installation. Stage One was commissioned by the end of December 2016 with a mill throughput rate of 60 tonnes per day being achieved as per plan, using uncrushed and partially crushed ore.

Up to this point the plant expansion had been funded out of internally-generated operating cash flows from the Group. With stage one of the expansion commissioned, the Company decided to arrange a loan facility of up to US\$2 million (the "Scipion Loan") to recapitalise the Group's subsidiaries that had financed the work to date, and to fund the expenditure of Stage Two of the processing plant expansion.

During the second half of FY 2017 Stage Two was substantially completed, which included installation of the crusher section, associated feed belts and bins, classifier and three additional larger CIL tanks. Two additional borrow pits were constructed to allow tailings deposition of up to a year before completion of the final TSF. Complete commissioning was delayed by a few months due to hold-ups in delivery of key materials, primarily steelwork associated with safety. Notwithstanding these delays, during the last two months of FY 2017 Plant 2 was successfully processing at a mill throughput rate of the planned 120 tonnes per day.

Stage Three of the plant expansion includes the installation of the second mill, an additional thickener and three additional CIL tanks. This stage will only commence once management is confident of sustained profitability and once the Scipion debt facility has been substantially repaid.

The old processing plant ('Plant 1') continued producing throughout and with more flexibility better efficiencies were achieved from this plant. Plant 1 is now processing primarily tailings sourced from artisanal operations in nearby areas. Better management of the TSF at Plant 1 has increased the available life of this facility to around a year (from the 3-6 months at the beginning of FY 2017).

During the year the mining focus was on creating capacity at Kilimapesa Hill underground to produce enough ore of appropriate grade to satisfy the throughput requirements of Plant 2. Focus was on developing reef drives and raises so as to delineate profitable mining blocks. A mechanical loader was acquired to facilitate ore handling in the cross cuts and reef drives and a Kempe core drilling machine was acquired to assist in understanding the orebody, and aid in strategic planning of mining operations. Commissioning of this machine was not completed during the year as the required generator had not yet been delivered. By year end, production from the Kilimapesa underground had not yet reached planned levels and throughput at Plant 2 was being met by the addition of stockpiled material and artisanal tailings.

Operations Report

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A decision was taken during the year to install grid power to Plant 2. Required authorisations and procurement of equipment was still in progress at the end of the year and this is expected to be completed in H1 of FY 2018.

During FY 2017, significant progress was made at Teng Teng mine. A second outlet was established, the shaft was deepened to facilitate more efficient ore loading, and significant underground exploration was completed. Due to a breakdown of the compressor and low priority of allocation of funds for repair, Teng Teng exploration was temporarily halted for the last few months of FY 2017. Activities will recommence as soon as the compressor has been repaired. It is expected that the process of applying for conversion of the Teng Teng area into a mining license will commence during FY 2018.

Subsequent to the year end, Kenyan National elections were held during August 2017. The Cabinet Secretary for Mining and the Governor of Narok County, where our project is located, remain unchanged which is important for smooth relations in the country as Goldplat and Kilimapesa management have developed very good working relationships with these individuals. The result of the Presidential election was subsequently declared null and void by the High Court and a new election process has to be completed within sixty days from the day of the Court ruling, 1 September, 2017.

Anumso Gold Project – Ghana

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. The project is located in the prospective Amansie East and Asante Akim South Districts of the Ashanti Region of the Republic of Ghana and has a current JORC compliant resource (refer announcement 12 December 2012) of 166,865 ounces of gold at 2.04g/t.

During FY 2016, Goldplat entered into an earn-in option agreement with Ashanti Gold Corp. ('Ashanti') (formerly Gulf Shore Resources Ltd), which provides Ashanti with the exclusive option to earn 75% of Goldplat's interest in Anumso (67.5% of the overall project interest) in two instalments by expending an aggregate of US\$3 million on exploration on the project. In March, 2017, Ashanti exercised its initial option which triggered the initial option period, during which a 51% share of Goldplat's interest will be earned through expending US\$1.5 million over 18 months. Ashanti is obliged to either expend US\$1.5 million on the project within the initial option period, or pay the deficiency to Goldplat.

Should Ashanti meet the expenditure condition within the Initial Option Period and receive 51% of Goldplat's interest in the Anumso (45.9% of the overall project interest), it will have the option to earn an additional 24% share of Goldplat's interest (21.6% of the overall project interest) by expending an additional US\$1.5 million in the following 12 month period, or by paying the deficiency to Goldplat.

By the end of FY 2017 Ashanti had spent an aggregate of US\$750,000. Work included setting up an exploration camp; establishing relationships with local chiefs and community; the analysis of historic core; core intersections submitted for metallurgical testing; completion of a 20-hole reverse circulation ('RC') drill programme; continued analysis of drill results; and a comprehensive soil sampling programme (1,300 soil samples) over the West and East Banka conglomerate. Results of metallurgical test work and assay results of soil samples are awaited.

Nyieme Gold Project – Burkina Faso

The 246 square km Nyieme Gold Project is located some 270 km southwest of Ouagadougou near the town of Dano on the prospective Birimian Greenstone Belt in southern Burkina Faso. The project has a JORC-compliant resource (refer announcement 12 December 2012) totalling 1,395,000 tonnes at 2.06 g/t gold for 92,598 ounces at a cut-off grade of 1.0 g/t gold for all categories. The exceptional 3-year extension which was granted on 29 September, 2014 expires in October 2017. The Company has no intention to apply for a further extension or a renewal as previous work at the project found it to be of too small a scale to be viable and the Company does not wish to commit any further capital on exploration at this project. A decision has been taken by the Board to fully write-off the value of the Nyieme Gold Project during FY 2017. The value of this write-off in Goldplat's Statement of Profit and Loss and other Comprehensive Income for the year ended 30 June 2017 is £955,000.

Outlook

Goldplat is now operating profitably at all of its operations and the Board believes performance should continue to improve during FY 2018. Growth in the recovery business is expected to come from GRG as a result of initiatives to procure material from West Africa and South America, as well as the commissioning of the elution plant at GRG. The project being assessed with the Ghanaian Government to clean up artisanal tailings could potentially turn into a large opportunity for GRG. If successful, this project will not only be profitable and contribute to growth in GRG, but it will pave the way for once again processing artisanal tailings and for processing by-products with contaminants such as mercury – both from within Ghana as well as from international sources, thus creating new revenue opportunities. Subsequent to the year-end, a pilot plant for the processing of artisanal tailings was procured at minimal cost and is expected to be in production in the second quarter of FY 2018. We expect production and profitability at GPL to remain at current levels albeit that the focus will shift to the more profitable CIL products locally and procurement of additional by-products from outside of South Africa. We initiated legal proceedings against Rand Refinery on 11 September 2017 and cannot predict how long such proceedings might last. Goldplat remain confident that all monies owed to GPL by Rand Refinery will be recovered.

Growth from mining operations will be focussed on the Kilimapesa expansion project. Subsequent to the year-end, the crusher section at Plant 2 was commissioned and the plant is consistently exceeding the planned 120 tonnes per day throughput target, and managing closer to 160 tonnes per day regularly. A decision has been taken to install the second mill at Plant 2 whether or not a decision is taken to proceed with Stage Three to provide back-up to the first mill and potentially additional production capacity. The plan for the year is to get to a point where only ore from Kilimapesa Hill underground is processed at Plant 2 with artisanal tailings being processed at Plant 1. Production exceeding 5,800 ounces is expected during FY 2018.

In addition to Kilimapesa, Goldplat will continue to seek out opportunities to increase primary production from new sources. Goldplat recognises that growth from recovery operations will be slower and more difficult than the potential to grow the mining business. The current market presents many opportunities for acquisitions of assets, joint ventures, partnerships and corporate deals. Goldplat does not intend to enter into exploration, and will prefer to gain interests in producing or near-production assets, preferably in Africa.

Conclusion

I would like to take this opportunity to thank our Goldplat employees, advisors, fellow directors and shareholders for their support as we embark upon our growth and diversification strategy in FY 2018. I look forward to working with all of you as we implement this strategy. I would like to welcome Matthew Robinson, Sango Ntsaluba and Werner Klingenberg who joined the Goldplat Board during the year as Chairman, Non-Executive Director and Finance Director respectively. I would also like to thank Ian Visagie, who has changed his Board role during the period, now assuming the role of Executive Director; whilst he remains an integral part of the executive management team. I would like to take this opportunity to thank him for the incredible contribution he has made to Goldplat over the years as founder, CFO and acting CEO, and particularly his immense contribution to the turnaround of the businesses over the past couple of years.

Gerard Kisbey-Green
Chief Executive Officer

26 September 2017

Financial Review

Profit from operating activities from continued operations for the year under review increased by 140% to £2,910,000 (FY 2016: £1,212,000) due to strong performance of both recovery operations. The Kilimapesa mine continued to trade at a loss as the benefit from increased processing capacity was only seen towards end of FY 2017, due to delays experienced during construction of the processing plant.

Gold sold on own account increased by 24% to 34,112 ounces (FY 2016: 27,538 ounces), which is reflected in the 57% increase in revenue for the year.

The increase in revenue was driven by higher recoveries achieved from the Carbon-In-Leach ('CIL') circuits at GPL and more contracts being settled by cash rather than transferring of gold. A steady flow of gold bearing raw materials from traditional suppliers, two large one-off contracts and increase in average dollar price of gold for the year to US\$1,258 per ounce (FY 2016: US\$1,167 per ounce) also contributed.

The Group increased gross profit by 73% from FY 2016: £3,008,000 to FY 2017: £5,196,000, primarily as a result of increased revenue and continued focus on reducing operational costs.

Administrative expenses from continued operations increased by 27% to £2,286,000 (FY 2016: £1,796,000), primarily as a result of increased activity in South America, Kenya and Ghana.

The exceptional three-year extension granted for the Nyieme Gold Project in Burkina Faso on 29 September 2014 expires in October 2017. As there is no intention to apply for a further extension or a renewal, as previous work at the project found it to be of too small a scale to be viable, the development costs of £955,000 have been fully written off and operations discontinued. The loss from discontinued operations was £1,012,000, including the write-off of development cost, which had no cashflow impact during the current period.

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 rates used in the conversion of operating currencies in the Statement of Profit or Loss and Other Comprehensive Income strengthened against the Pound Sterling during the period under review.

The net finance loss from continued operations of £74,000 includes £85,000 interest on borrowings and finance liabilities. Due to the strengthening in operating currencies against the US Dollar, a foreign exchange loss from continued operations of £11,000 was incurred versus a foreign exchange profit of £804,000 in FY 2016. The improvement of the operating currencies against the Pound Sterling also resulted in a positive unrealised exchange translation gain of £1,025,000 (FY 2016: £489,000).

The Group's capital expenditure for the year, including development costs, amounted to £2,213,000 (FY 2016: £1,475,000) of which £1,409,000 was expended to complete Stage one and two of the expansion of processing capacity at Kilimapesa.

The expansion at Kilimapesa was primarily funded by an on-demand, revolving pre-export loan with Scipion Active Trading Fund to the value of US\$2,000,000. Security on the drawn amounts has been granted over Goldplat Recovery (Pty) Limited's tailings facility in South Africa, intercompany loan agreements, contracts and proceeds of sale with gold refiners, and collection bank accounts operated by GMR for that purpose. It is intended that the loan granted in March 2017 will be repaid over 12 months from profits generated as a result of the increased plant capacity at Kilimapesa.

After major capital investments at GPL over the last 2 years on a new elution plant, wash plant and a milling circuit, capital expenditure reduced to £372,000 (FY 2016: £818,000) and was focussed on maintaining current circuits. One of the milling circuits was refurbished for £59,000 and cyclones on one of the Rotary Kilns were replaced at a cost of £57,000. Capital was incurred on the expansion of the sampling section through the acquisition of blenders for carbon at a cost of £74,000. The balance of the capital was spent on replacement of production vehicles (£92,000), an old store (£28,000), upgrading of security and storage facility (£26,000) and modification on the elution columns (£37,000).

A complete elution plant has been bought and shipped from South Africa to GRG at cost of £67,000 and is planned to be erected and commissioned before December 2017 at a total projected cost of £900,000. A further £60,000 was spent on purchasing incinerators and a dryer for GRG.

A further £120,000 was expended on loading equipment for the new Plant 2 and a production vehicle at Kilimapesa. Capital spent on the development of the mine at Kilimapesa Hill was £157,000 (FY 2016: £110,000)

On 30 March 2017, Ashanti exercised its initial option to earn into the Anumso Gold Project in Ghana under the terms of the option agreement between Goldplat and Ashanti. An initial 51% share of Goldplat's interest will be earned through expending US\$1.5 million in the first 18 months, which includes a six-month review period. At year-end Ashanti has not met the expenditure condition, and the sale of 51% Goldplat's interest in Anumso has not been recorded in the current period.

During the period Rand Refinery aligned its payment terms of its smelter section to those of other international smelters, increasing its payment days after agreement of assay to 90 days (previously 14 days). Delivery of dore bars to Rand Refinery are still being settled within 7 days.

To mitigate the single refiner's risk, contracts have been signed with 3 additional refiners, two for refining of dore bars and one for processing of carbon and other by-products. In addition to the flexibility the new contracts have provided, they also increase the amounts of material that can be delivered for refining or processing. The increased capacity assisted the recovery operations to reduce its inventory days.

During the period GPL and GRG made use of a purchase contract and bill of sale agreement with Auramet, to finance part of material en-route to refineries. The balance of amounts received in advance at end of the period was £6,334,000 (FY 2016: £1,107,000) and is secured against the receivable balance it relates to. The proceeds from material pre-financed during the fourth quarter was used to settle suppliers of this material.

The Group reported increased net cash resources of £2,650,000 as at 30 June 2017 (FY 2016: £2,056,000) whilst investing £935,000 (FY 2016: £1,645,000) of internal generated funds into capital projects.

GPL – South Africa

Revenues of £25,066,000 (FY 2016: £15,223,000) were achieved and cost of sales amounted to £21,083,000 (FY 2016: £12,504,000).

GPL continued to perform well and increased its operating profits to £3,312,000 (FY 2016: £2,111,000).

The improved revenues and operating result in South Africa was built primarily on the performance of the CIL circuits, and supported by the by-product material received from the mines and a large one-off batch from a client in Africa.

The South African subsidiary reported a net profit after tax of £2,420,000 (FY 2016: £1,777,000). The 36% increase in net profit after tax was partly due to an 19.6% lower average Pound Sterling used to convert the South African Rand results in FY 2017 versus the prior year.

GRG – Ghana

The Ghana Gold Recovery operation built on its strong performance of the previous year and reported a profit after tax of £1,177,000 (FY 2016: £437,000). The previous zero tax rate enjoyed as part of the Free Zone status ceased in December 2016 and the Company is currently subject to a favourable tax rate of 15%.

The increase in profitability is attributable to a steady flow of material from our traditional suppliers, completion of a large clean-up contract awarded by AGA Obuasi and material received from South America. GRG started to see the benefit of the investment in South America during the period.

Financial Review

continued

Kilimapesa – Kenya

The Kilimapesa gold mine reported a net loss of £1,100,000 (FY 2016: loss of £711,000) for the year under review. An increase in unrealised foreign exchange losses of £177,000 on intercompany payables contributed to the increased loss. As in South Africa, the increased net loss was partly due to an 14.2% lower average Pound Sterling used to convert the Kenyan Shillings results in FY 2017 versus the prior year.

With the increase in capacity during the second half of the year, Kilimapesa managed to increase revenue to £3,150,000 (FY 2016: £1,560,000) and turned profitable towards the end of FY 2017.

Contingencies

We are pleased to report that the preliminary enquiry into the tax affairs of Kilimapesa by the Kenya Revenue Authorities have been substantially finalised. Of the original preliminary assessment of £1,288,540, £55,000 has been paid and £51,000 still remains under dispute.

Trade and other receivables for the Group include a balance of £812,000 (FY 2016: £556,000) of Value Added Taxation receivable from the Kenya Revenue Authority. Of the current balance £472,000 is older than 3 years. Despite clear provisions in the Kenyan legislation regarding the recoverability of VAT, and two audits and continuous consultation with the Kenya Revenue Authorities the balance due remains outstanding. Management is of the opinion that there is no legal reason not to recover the balance due.

The process of investigation agreed with Rand Refinery was completed during the period, but no agreement could be reached between the two parties. GPL initiated legal proceedings against Rand Refinery on 11 September 2017 to recover ZAR 13.5 million (approximately £792,000 at 30 June 2017) plus interest due. Management remain confident that the balance will be collected.

Werner Klingenberg

Finance Director

26 September 2017

The Board

MATTHEW ROBINSON

Non-Executive Chairman

Matthew is a high profile figure in the growth company arena, with more than 12 years' experience in mining and resources. He spent the last 15 years of his career as a Corporate Finance Director at finnCap and Panmure Gordon/Durlacher. During this time, he was responsible for establishing finnCap and Panmure Gordon's mining and resources investment businesses, in addition to his role as adviser to AIM and Official List companies on the London Stock Exchange. Moving to the nascent finnCap in 2006, Matthew was instrumental in its rapid growth which saw it become the largest nominated adviser and broking firm, by number of clients, on the London Stock Exchange's AIM market.

Training as a Chartered Accountant, Matthew began his career at Binder Hamlyn and Touche Ross, the predecessor firm of Deloitte, before founding a business consultancy specialising in corporate turnarounds. He spent several years as the Finance Director and Company Secretary of Internet Music Shop, one of the first online music retailers. During his time with the company, Matthew managed its merger with European competitor Boxman.com, with turnover growing to over £12 million per annum, and was responsible for raising approximately £20 million of equity.

GERARD KISBEY-GREEN

Chief Executive Officer

Gerard has built an expansive career in the mining and related financial industry, spanning over 30 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 Nominated Adviser, 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. Gerard joined Goldplat plc as a Non-executive Director in 2014 and took over the role of Chief Executive Officer in 2015.

IAN VISAGIE

Executive 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.

HANSIE VAN VREDEN

Chief Operating Officer

Hansie is 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.

The Board

continued

WERNER KLINGENBERG

Finance Director

Werner initially qualified as a Chartered Accountant with Deloitte in South Africa and he has accrued significant commercial experience, both within Southern Africa and at an international level. His extensive knowledge spans audit and financial management and systems. Having initially worked within the telecommunications and retail industries, Werner joined Goldplat in 2015 as Group Financial Manager. Within this role he has been integral in managing Goldplat's financial affairs. With a proven knowledge and understanding of the Group's gold operations, he brings a wealth of experience that makes him best placed to occupy the role of Finance Director, as the Group continues to deliver on its strategy of increasing productivity and profitability.

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. He was CEO, at flotation, of AIM listed Chromex Mining Plc, subsequently sold under a takeover offer.

SANGO NTSALUBA

Non-Executive Director

Sango is the executive chairman and co-founder of NMT Capital (Pty) Limited, a diversified investment holding group. He has built an illustrious career within South Africa, spanning over 30 years. This includes successfully founding Sizwe Ntsaluba Gobodo, one of South Africa's 'Big 5' accounting firms. Alongside a distinguished auditing career, Sango has extensive corporate experience in areas that include logistics and the automotive industry. He currently serves as an independent board member of Barloworld Limited, a leading global industrial company listed on the Johannesburg Stock Exchange ("JSE"), with responsibility for chairing the group's audit committee. He also serves on the boards of JSE listed companies Pioneer Foods Group Limited, a producer and distributor of a range of branded food and beverage products, and Basil Read Holdings Limited, a diversified construction company. Sango is the Chairman of the board of Goldplat's subsidiary, Goldplat Recovery (Pty) Ltd. NMT Capital (Pty) Limited, a company of which he is a director and shareholder, holds a 26 per cent interest in Goldplat Recovery (Pty) Limited.

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 30 June 2017.

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 from continued operations of £2,836,000 (2016: profit £1,988,000) and an after tax profit of £964,000 (2016: profit £1,408,000).

Major events after the reporting date

The following events occurred after the reporting date and are further discussed in note 36 to these financial statements:

- GPL entered into legal proceedings with Rand Refinery on 11 September 2017, with the objective of
- GPL recovering the balance outstanding due to it of £792,000 (2016 : £679,000) and all interest due.

Dividends

No dividend is proposed in respect of the year ended 30 June 2017 (2016: £nil per share).

Political donations

There were no political donations during the year (2016: £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 M Robinson, I Visagie 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.

Directors

The following Directors served during the period:

G Kisbey-Green	(Chief Executive Officer)	
M S Robinson	(Non-executive Chairman)	appointed 27 October 2016
B M Moritz	(Non-executive Chairman)	resigned 27 October 2016
I Visagie	(Executive Director)	
J H Van Vreden	(Chief Operating Officer)	
W Klingenberg	(Finance Director)	appointed 1 June 2017
N G Wyatt	(Non-executive Director)	
S Ntsaluba	(Non-executive Director)	appointed 1 June 2017

Directors' Report

continued

Directors' interests

The beneficial interests of the Directors holding office on 30 June 2017 in the issued share capital of the Company were as follows:

	30 June 2017		30 June 2016	
	Number of ordinary shares of 1p each	Percentage of issued share capital	Number of ordinary shares of 1p each	Percentage of issued share capital
M S Robinson	300,000	0.18%	–	0%
N G Wyatt	30,950	0.018%	30,950	0.018%

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 2017.

Directors' remuneration and service contracts

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

2017

	Salaries £'000	Fees £'000	Other £'000	Total £'000
G Kisbey-Green	175	–	11	186
M S Robinson	–	24	–	24
B M Moritz	–	13	–	13
I Visagie	130	–	–	130
J H Van Vreden	132	–	5	137
W Klingenberg	7	–	–	7
N G Wyatt	–	25	–	25
S Ntsaluba	–	1	–	1
	444	63	16	523

Management fees of £20,000 were paid during the reporting period by GPL to its minority shareholders, in which S Ntsaluba has an ultimate shareholding.

2016

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

During the FY 2016, 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.

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.

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.

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

Werner Klingenberg

Director

26 September 2017

Strategic Report

The directors present their Strategic Report for the year ended 30 June 2017.

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 minerals 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 into a junior mining Group.

The aim for the 2018 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; securing by-product material for GRG from outside of Ghana; procuring material for the CIL (Carbon-in-Leach) sections at GPL; and completing the expansion project at Kilimapesa.

Principal Activity

The Group's operating businesses are based in Africa and comprise 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 country's Freezone.

The Kilimapesa mine in Kenya, is being expanded by further development of the ore body and the erection of a larger CIL and crushing section to improve profitability.

The Group's exploration assets also include Anumso in Ghana which is now subject to an earn-in option agreement with a Canadian quoted company (Ashanti Gold Corp) and Nyieme in Burkina Faso, the value of which has been written off in FY 2017.

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.

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 or close existing operations due to life of mine, 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 outside Africa.

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.

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 the engagement of external expert consultants and contractors.

Strategic Report

continued

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 and debt 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, existing 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. On 15 June, 2017 the Broad Based Socio-Economic Empowerment Charter for the South African mining and minerals industry, 2017, (the '2017 Charter') was announced and gazetted in South Africa. The 2017 Charter aims to introduce far-reaching, new, and in some cases, radical measures and requirements on the industry. GPL is compliant with the preceding Charter, and if the 2017 Charter is implemented, certain changes will be required to maintain compliance, primarily in respect of: (i) the increased mandatory Black Economic Empowerment shareholding which is currently set at 26%, but is proposed to be increased to 30%, and (ii) in the required make-up of management demographics. Further to an interdict application brought by the Chamber of Mines against implementation of the Charter, the Minister of Mineral Resources has undertaken not to implement or apply the provisions of the 2017 Charter pending judgement on the interdict.

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.

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.

Werner Klingenberg

Director

26 September 2017

Independent Auditor's Report to The Members of Goldplat Plc

for the year ended 30 June 2017

Our opinion

In our opinion, Goldplat PLC's ("the company" or "the parent company") group financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Financial statements subject to audit

We have audited the consolidated financial statements for the year ended 30 June 2017 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 cash flow statements; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRS as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 auditor's 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We have designed our audit approach to identify possible fraud in relation to the associated fraud risk of the Group. We consider the most likely areas where fraud might arise to be within the valuation of inventory and revenue recognition, our approach to these areas have been addressed within the key risk section.

An overview of the scope of our audit

The group operates through three trading subsidiary undertakings which were considered to be significant components for the purposes of the group financial statements. The financial statements consolidate these entities together with a number of non-trading subsidiary undertakings as well as an intermediary holding company as set out in note 35. In establishing our overall approach to the group audit, we determined the type of work that needed to be performed in respect of each subsidiary. This consisted of us carrying out a full review of the component auditors' working papers of the significant components within the group, which were subject to a full scope audit.

As part of the audit the component auditors documented the systems and performed walk-through tests on the key areas, and then used largely substantive techniques to the extent considered necessary to provide sufficient appropriate audit evidence to draw their conclusions.

Our detailed review of these procedures gave us the evidence that we need for our opinion on the financial statements as a whole and, in particular, helped mitigate the risks of material misstatements mentioned below.

Our assessment of key risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to The Members of Goldplat Plc

for the year ended 30 June 2017 continued

Revenue recognition

There is a risk regarding the completeness and accuracy of revenue.

These transactions involve complex assay valuations and of high value, as such this area of the financial statements is considered to be of significant risk to the audit.

Due to the need for customer to verify these assay reports through their own valuations there is a potential risk in terms of the completeness and accuracy of the revenue being recognised.

We have carried out substantive testing to verify the completeness and accuracy of revenue. This testing has included tracing a sample of gold shipments, revenue recognised being based on the Company's initial assay reports through to final revenue received based on assay reports prepared by the customer to ensure the correct value of revenue is recognised on the sample of shipments selected.

On a sample basis we have carried out reconciliations of individual gold shipments received from third parties to the customer independent assay reports to vouch completeness and accuracy of revenue.

We have also carried out appropriate cut off procedures to ensure completeness of revenue. This has involved reviewing gold shipments around the year end to ensure revenue is recognised in the correct period.

The above procedures have been completed with no issues being identified.

Intangible asset

The group has capitalised certain pre-production mining expenditure. There is a risk that the expenditure could be materially overstated to reduce costs expensed in the year and result in an overstated asset.

We have reviewed a sample of costs capitalised to ensure they are eligible for capitalisation and vouched these costs to third party supporting documentation.

We have also carried out audit procedures including the detailed review of the JORC compliant resource statement, prepared by an independent valuer, to support the carrying value of the intangible asset.

This JORC resource statement has been used to challenge the assumptions used by management in their consideration of impairment of the intangible asset including ensuring conditions applying to the JORC report are still valid at the year-end.

The above procedures have been completed with no issues being identified.

Our application of materiality

We set certain thresholds for materiality. These help us to establish transactions and misstatements that are significant to the financial statements as a whole, to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually on balances and on the financial statements as a whole.

In establishing the audit strategy, it was determined that the level of uncorrected misstatements judged to be material for the financial statements and our audit overall would be £633,000, approximately 2% of turnover. Furthermore, we calculated a component materiality for each entity audited at an appropriate percentage of the overall materiality and applied this in our risk assessments and determining relevant audit procedures. Our materiality for each component was also based on 2% of turnover with the exception of the mining operation in Kenya for which 5% of the net asset value was used.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Stephen Corrall, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP,
Chartered Accountants and Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

26 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2017

	Notes	2017 £'000	2016 £'000
Continuing operations			
Revenue	7	31,650	20,185
Cost of sales		(26,454)	(17,177)
Gross profit		5,196	3,008
Administrative expenses		(2,286)	(1,796)
Results from operating activities		2,910	1,212
Finance income		22	815
Finance costs		(96)	(39)
Net finance (cost)/income	11	(74)	776
Results from operating activities after finance income		2,836	1,988
Taxation	13	(860)	(534)
Profit for the year from continuing operations		1,976	1,454
Discontinued operations			
Loss for the year from discontinued operations	12	(1,012)	(46)
Profit for the year		964	1,408
Profit from continued operations attributable to:			
Owners of the Company		1,348	992
Non-controlling interests		628	462
Profit for the year		1,976	1,454
Profit from operations attributable to:			
Owners of the Company		336	946
Non-controlling interests		628	462
Profit for the year		964	1,408
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange translation		1,025	489
Other comprehensive income for the year		1,025	489
Total comprehensive income for the year		1,989	1,897
Total comprehensive income attributable to:			
Owners of the Company		1,361	1,435
Non-controlling interests		628	462
Total comprehensive income for the year		1,989	1,897
Earnings per share			
Basic earnings per share (pence)	24	0.20	0.56
Diluted earnings per share (pence)	24	0.19	0.55
Earnings per share – continuing operations			
Basic earnings per share (pence)	24	0.81	0.59
Diluted earnings per share (pence)	24	0.78	0.58

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 June 2017

	Notes	2017 £'000	2016 £'000
Assets			
Property, plant and equipment	14	7,181	5,404
Intangible assets	15	8,707	9,726
Proceeds from sale of shares in subsidiary	16	1,424	1,271
Non-current cash deposits	17	201	160
Non-current assets		17,513	16,561
Inventories	20	8,962	7,747
Trade and other receivables	21	12,003	6,255
Cash and cash equivalents	22	2,650	2,148
Current assets		23,615	16,150
Total assets		41,128	32,711
Equity			
Share capital	23	1,675	1,675
Share premium		11,441	11,441
Exchange reserve	23	(5,193)	(6,218)
Retained earnings		11,305	10,953
Equity attributable to owners of the Company		19,228	17,851
Non-controlling interests		2,673	2,246
Total equity		21,901	20,097
Liabilities			
Obligations under finance leases	25	229	157
Provisions	28	446	383
Deferred tax liabilities	29	584	510
Non-current liabilities		1,259	1,050
Bank overdraft	22	–	92
Obligations under finance leases	25	154	129
Interest bearing borrowings	26	1,172	55
Taxation		211	153
Trade and other payables	30	16,431	11,135
Current liabilities		17,968	11,564
Total liabilities		19,227	12,614
Total equity and liabilities		41,128	32,711

The financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 26 September 2017. They were signed on its behalf by:

Werner Klingenberg

Director

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 June 2017

	Attributable to owners of the Company						Total Equity £'000
	Share capital £'000	Share premium £'000	Exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	
Balance at 1 July 2016	1,675	11,441	(6,218)	10,953	17,851	2,246	20,097
Total comprehensive income for the year							
Profit for the year	-	-	-	336	336	628	964
Total other comprehensive income	-	-	1,025	-	1,025	-	1,025
Total comprehensive income for the year							
	-	-	1,025	336	1,361	628	1,989
Transactions with owners of the Company recognised directly in equity							
Share based payment transactions	-	-	-	16	16	-	16
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(201)	(201)
Total transactions with owners of the Company							
	-	-	-	16	16	(201)	(201)
Balance at 30 June 2017	1,675	11,441	(5,193)	11,305	19,228	2,673	21,901

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 June 2016

	Attributable to owners of the Company						Total Equity £'000
	Share capital £'000	Share premium £'000	Exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	
Balance at 1 July 2015	1,685	11,498	(6,707)	9,868	16,344	1,893	18,237
Total comprehensive income for the year							
Profit for the year	-	-	-	946	946	462	1,408
Total other comprehensive income	-	-	489	-	489	-	489
Total comprehensive income for the year							
	-	-	489	946	1,435	462	1,897
Transactions with owners of the Company recognised directly in equity							
Cancellation of treasury shares	(10)	(57)	-	67	-	-	-
Share based payment transactions	-	-	-	72	72	-	72
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(109)	(109)
Total transactions with owners of the Company							
	(10)	(57)	-	139	72	(109)	(109)
Balance at 30 June 2016	1,675	11,441	(6,218)	10,953	17,851	2,246	20,097

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash flows from operating activities			
Result from continued operating activities		2,910	1,218
Result from discontinued operating activities		(1,012)	(46)
Adjustments for:			
Depreciation		650	514
Amortisation		224	192
Write off development cost		980	–
Loss on sale of property, plant and equipment		4	62
Equity-settled share-based payment transactions		16	72
Foreign exchange differences		303	(421)
		4,075	1,591
Changes in:			
– inventories		(1,215)	(20)
– trade and other receivables		(5,748)	(2,950)
– trade and other payables		5,296	3,579
– provisions		–	244
Cash generated from operating activities			
Finance income		22	809
Finance cost	31.1	(96)	(39)
Taxes paid		(805)	(342)
Net cash from operating activities			
		1,529	2,872
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment			
Enhancement of exploration and development asset		(157)	(110)
Acquisition of property, plant and equipment	31.2	(1,756)	(1,284)
Non-current cash deposit		(41)	73
Net cash used in investing activities			
		(1,849)	(1,227)
Cash flows from financing activities			
Proceeds from drawdown of interest bearing borrowings			
Payment of interest bearing borrowings		(421)	(105)
Payment of finance lease liabilities		(203)	(114)
Net cash flows from financing activities			
		914	(219)
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 July		2,056	630
Cash and cash equivalents at 30 June	22	2,650	2,056

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Company Statement of Financial Position

as at 30 June 2017

	Notes	2017 £'000	2016 £'000
Assets			
Investments	19	9,425	9,425
Non-current assets		9,425	9,425
Loans to subsidiary companies	18	4,500	4,614
Trade and other receivables	21	26	37
Cash and cash equivalents	22	3	94
Current assets		4,529	4,745
Total assets		13,954	14,170
Equity			
Share capital	23	1,675	1,675
Share premium		11,441	11,441
Loss for the year		(170)	(306)
Retained earnings		923	1,213
Equity attributable to owners of the Company		13,869	14,023
Non-controlling interests		–	–
Total equity		13,869	14,023
Liabilities			
Trade and other payables	30	85	147
Current liabilities		85	147
Total liabilities		85	147
Total equity and liabilities		13,954	14,170

These financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 26 September 2017. They were signed on its behalf by:

Werner Klingenberg

Director

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity

for the year ended 30 June 2017

	Attributable to owners of the Company			Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	
Balance at 1 July 2015	1,685	11,498	1,074	14,257
Total comprehensive income for the period				
Loss for the year	–	–	(306)	(306)
Total other comprehensive income	–	–	–	–
Total comprehensive income for the period	–	–	(306)	(306)
Transactions with owners of the Company recognised directly in equity				
Contributions by and distributions to owners of the Company				
Share based payment transactions	–	–	72	72
Cancellation of treasury shares	(10)	(57)	67	–
Total contributions by and distributions to owners of the Company	(10)	(57)	139	72
Balance at 30 June 2016	1,675	11,441	907	14,023
Balance at 1 July 2016	1,675	11,441	907	14,023
Total comprehensive income for the period				
Loss for the year	–	–	(170)	(170)
Total other comprehensive income	–	–	–	–
Total comprehensive income for the period	–	–	(170)	(170)
Transactions with owners of the Company recognised directly in equity				
Contributions by and distributions to owners of the Company				
Share based payment transactions	–	–	16	16
Total contributions by and distributions to owners of the Company	–	–	16	16
Balance at 30 June 2017	1,675	11,441	753	13,869

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Company Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Loss for the year		(164)	(299)
Adjustments for:			
Equity-settled share-based payment transactions		16	72
		(148)	(227)
Changes in:			
– trade and other receivables		11	383
– trade and other payables		(62)	74
Cash (used in)/from operating activities		(199)	230
Interest paid		(6)	(7)
Net cash (used in)/from operating activities		(205)	223
Cash flows from financing activities			
Loans with subsidiary		114	(144)
Net cash flows from/(used in) financing activities		114	(144)
Net (decrease)/increase in cash and cash equivalents		(91)	79
Cash and cash equivalents at 1 July		94	15
Cash and cash equivalents at 30 June	22	3	94

The notes on pages 35 to 65 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2017

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, Operations Report and Financial Review. 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 reserves of raw materials and ongoing contracts with its current suppliers to fulfil production requirements for 12 months from reporting date. 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 12 months from the date of this report 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 2017 was £170,000 (2016: loss £306,000).

(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 currency is considered to be the US Dollar ("USD") as this currency mainly influences sales prices and expenses respectively.

(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.

3. Basis of preparation *continued*

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
- Valuation of Inventory – Notes 4(g) and 20

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 all 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.

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.

Notes to the Consolidated Financial Statements

continued

4. Significant accounting policies *continued*

(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

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

(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.

4. Significant accounting policies continued

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.

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.

(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.

Notes to the Consolidated Financial Statements

continued

4. Significant accounting policies 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.

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.

4. Significant accounting policies continued

(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.

(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.

Notes to the Consolidated Financial Statements

continued

4. Significant accounting policies *continued*

(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 estimated. 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.

(h) Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting 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.

4. Significant accounting policies *continued*

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, excluding sales taxes, 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.

(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 reporting 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 2017:

Amendments to IAS 1 Presentation of Financial Statements
Amendments to IFRS 7 Financial Instruments : Disclosures
Amendments to IAS 27 Separate Financial Statements
IFRS 11 Joint Arrangements

Notes to the Consolidated Financial Statements

continued

5. New standards and interpretations not yet adopted continued

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 2016 or later periods, but which the Group has not early adopted.

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

Amendments to IAS 7 Statement of Cash Flows
Amendments to IFRS 2 Share-Based Payments
IFRS 9 Financial Instruments
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. The impact on the statements cannot yet be reliably measured.

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.

6. Operating segments continued

Information about reportable segments:

For the year ended 30 June 2017

	Recovery operations £'000	Mining and exploration £'000	Adminis- tration £'000	Reconcil- iation to Group figures £'000	Group £'000
External revenues	28,500	3,150	–	–	31,650
Inter-segment revenues	5,648	–	–	(5,648)	–
Total revenues	34,148	3,150	–	(5,648)	31,650
Interest expense	(17)	(62)	(47)	41	(85)
Depreciation and amortisation	512	362	–	–	874
Reportable segment profit/(loss) before tax of continuing operation	4,365	(1,133)	(428)	32	2,836
Write-off of development costs of discontinued operations	–	(955)	–	–	(955)
Reportable segment profit/(loss) before tax of discontinuing operation	–	(1,012)	–	–	(1,012)
Taxation	(770)	–	(90)	–	(860)
Reportable segment assets	27,731	1,739	31,241	(19,583)	41,128
Capital expenditure	527	1,686	–	–	2,213
Reportable segment liabilities	17,356	2,687	5,681	(6,497)	19,227

For the year ended 30 June 2016

	Recovery operations £'000	Mining and exploration £'000	Adminis- tration £'000	Reconcil- iation to Group figures £'000	Group £'000
External revenues	18,625	1,560	–	–	20,185
Inter-segment revenues	4,707	–	–	(4,707)	–
Total revenues	23,332	1,560	–	(4,707)	20,185
Interest expense	(39)	–	–	–	(39)
Depreciation and amortisation	389	317	–	–	706
Reportable segment profit/(loss) before tax	2,696	(716)	(12)	20	1,988
Reportable segment profit/(loss) before tax of discontinuing operation	–	(46)	–	–	(46)
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

Notes to the Consolidated Financial Statements

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 refiners in South Africa and Europe.

Non-current assets

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

Major customer

Revenues from the recovery operations was derived from 5 different customers of which the largest presented 45% (2016: 80%) and revenues from the mining and exploration revenues was derived from 3 different customers of which the largest presented 57% (2016: 100%).

7. Revenue

	2017 £'000	2016 £'000
Sales of precious metals – Recovery operations	27,243	17,124
Sales of precious metals – Mining and exploration	3,150	1,560
Processing fees charged to customers	1,257	1,501
	31,650	20,185

8. Expenses by nature

	Notes	2017 £'000	2016 £'000
Employee benefit expense	9	4,865	3,401
Depreciation expense	14	650	514
Amortisation charged to cost of sales	15	224	192
Equity-settled share-based payment transactions		16	72
Auditor's remuneration			
– Audit fee		81	97
Directors' remuneration	10	523	539
Loss on disposal of property, plant and equipment		8	62

Auditor's remuneration in respect of the Company amounted to £33,000 (2016: £32,500).

9. Personnel expenses

	2017 £'000	2016 £'000
Wages and salaries	4,397	3,117
Performance based payments	258	47
National insurance and unemployment fund	26	57
Skills development levy	32	24
Medical aid contributions	48	20
Group life contributions	53	96
Provident funds	51	40
	4,865	3,401

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

	2017	2016
Directors	6	5
Administrative personnel	48	38
Production personnel	491	436
	545	479

10. Directors' emoluments

2017

	Executive £'000	Non-executive £'000	Total £'000
Wages and salaries	444	–	444
Fees	–	63	63
Share based payments	16	–	16
	460	63	523

2016

	Executive £'000	Non-executive £'000	Total £'000
Wages and salaries	397	–	397
Fees	–	65	65
Share based payments	72	–	72
Other benefits	5	–	5
	474	65	539

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

	2017 £'000	2016 £'000
Emoluments for qualifying services	186	227

Key management

Apart from the Directors, the emoluments paid to key management personnel amounted to £816,000 (2016: £576,000).

Notes to the Consolidated Financial Statements

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11. Finance income and finance costs

Recognised in profit or loss

	2017 £'000	2016 £'000
Interest income on cash balances held	22	11
Foreign exchange gains	–	804
Finance income	22	815
Interest expense on borrowings	(47)	(28)
Interest on finance leases	(38)	(11)
Foreign exchange loss	(11)	–
Finance costs	(96)	(39)
Net finance costs recognised in profit or loss	(74)	776

12. Discontinued operations

The exceptional three-year extension granted for the Nyieme Gold Project in Burkina Faso on 29 September 2014 expires in October 2017. As there is no intention to apply for a further extension or a renewal as previous work at the project found it to be of too small a scale to be viable, the development costs have been fully written off and operations discontinued.

2017

	2017 £'000	2016 £'000
Administrative expenses	10	40
Net finance loss	47	6
Write off development cost of Nyieme	955	–
Loss for the year from discontinued operations	1,012	46
Basic earnings (loss) per share (pence)	(0.60)	(0.00)
Diluted earnings (loss) per share (pence)	(0.59)	(0.00)

The discontinued operations transactions did not have a tax impact.

13. Taxation

Current tax expense

	2017 £'000	2016 £'000
Tax recognised in profit or loss		
Current tax expense		
Current period	696	437
Secondary tax on dividends paid from South Africa	90	40
	786	477
Deferred tax expense		
Origination and reversal of temporary differences	74	57
	74	57
Total tax expense	860	534

13. Taxation continued

Reconciliation of effective tax rate

	2017	2016
	£'000	£'000
Profit for the year	964	1,408
Total tax expense	860	534
Profit excluding tax	1,824	1,942
Tax using the Company's domestic tax rate of 19.75% (2016: 20.00%)	360	388
Effects of:		
Expenses not deductible for tax purposes	12	6
Effect of lower tax levied on overseas subsidiaries	(185)	(56)
Tax losses carried forward	526	156
Adjustment to tax charge in respect of previous periods	57	–
Secondary tax on dividends paid from South Africa	90	40
	860	534

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

The tax charge arises in South Africa and Ghana.

Notes to the Consolidated Financial Statements

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14. Property, plant and equipment

	Freehold/ leasehold land £'000	Buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Office equipment £'000	Environ- mental asset £'000	Total £'000
Cost							
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
Balance at 30 June 2016	499	438	5,727	816	84	69	7,633
Balance at 1 July 2016	499	438	5,727	816	84	69	7,633
Additions	-	28	1,789	212	27	-	2,056
Write-off	-	-	-	-	(4)	-	(4)
Disposals	-	(11)	(158)	(23)	-	-	(192)
Effect of movements in exchange rates	7	35	569	99	4	11	725
Balance at 30 June 2017	506	490	7,927	1,104	111	80	10,218
Depreciation							
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
Balance at 30 June 2016	6	141	1,581	411	49	41	2,229
Balance at 1 July 2016	6	141	1,581	411	49	41	2,229
Depreciation charge for the year	-	25	462	148	11	4	650
Disposals	-	(8)	(52)	(23)	-	-	(83)
Effect of movements in exchange rates	-	16	172	42	4	7	241
Balance at 30 June 2017	6	174	2,163	578	64	52	3,037
Carrying amounts							
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
At 30 June 2017	500	316	5,764	526	47	28	7,181

14. Property, plant and equipment *continued*

Leased plant and equipment

The Group leases land, plant and equipment under a number of finance lease agreements. The leased assets secure lease obligations. At 30 June 2017 the net carrying amount of leased land, plant and equipment was £574,000 (2016: £450,000). During the year, the Group acquired leased assets of £300,000 (2016: £81,000) (see note 25 and 31.2).

15. Intangible assets

	Goodwill £'000	Mining rights and pre-production expenditure £'000	Exploration and development £'000	Total £'000
Cost				
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
Cost				
Balance at 1 July 2016	5,631	4,768	2,068	12,467
Additions	–	–	157	157
Write-off	–	(976)	–	(976)
Effect of movements in exchange rates	–	(23)	(55)	(78)
Balance at 30 June 2017	5,631	3,769	2,170	11,570
Amortisation and impairment losses				
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
Amortisation and impairment losses				
Balance at 1 July 2016	–	1,874	867	2,741
Amortisation for the year	–	182	42	224
Effect of movements in exchange rates	–	(78)	(24)	(102)
Balance at 30 June 2017	–	1,978	885	2,863
Carrying amounts				
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
Balance at 30 June 2017	5,631	1,791	1,285	8,707

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 the mine. The life of the mine within the Group range between 10 and 25 years.

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

Notes to the Consolidated Financial Statements

continued

15. Intangible assets *continued*

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.

As detailed in note 12, the Nyieme Gold Project in Burkino Faso is to be discontinued and as such the mining rights and development costs in respect of this project have been written off in this period.

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:

	2017 £'000	2016 £'000
Balance at beginning of year	1,271	1,357
Received from dividends	(201)	(46)
Effect of movement in exchange rates	354	(40)
Balance at end of year	1,424	1,271

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

	2017 £'000	2016 £'000
Non-current cash deposit	201	160

18. Loans to subsidiary companies

	2017 £'000	2016 £'000
Funds advanced to Gold Mineral Resources Limited	4,500	4,614

Interest is charged at 2% above LIBOR on the monthly outstanding balances. This interest was waived for the year ended 30 June 2017 (2016: £Nil as waived). The loan is unsecured.

19. Investments

	2017 £'000	2016 £'000
Investment in Gold Mineral Resources Limited	9,425	9,425

Details of the Company's subsidiaries are outlined in note 35.

20. Inventories

	2017 £'000	2016 £'000
Consumable stores	1,202	1,094
Raw materials	644	347
Precious metals on hand and in process	6,898	6,124
Broken ore	218	182
	8,962	7,747

Amount of inventory charged as an expense was £26,454,000 (2016: £17,177,000)

21. Trade and other receivables

Group

	2017 £'000	2016 £'000
Trade receivables	10,421	4,546
Other receivables	1,582	1,709
	12,003	6,255

Company

	2017 £'000	2016 £'000
Other receivables	26	37
	26	37

Trade and other receivables for the Group include a balance of £792,000 (FY 2016: £679,000) which a customer is disputing. The process of investigation agreed with Rand Refinery was completed during the period, but no agreement could be reached between the two parties. GPL initiated legal proceedings against Rand Refinery on 11 September 2017 for balance due plus interest. Management are confident that the balance will be collected.

Trade and other receivables for the Group include a balance of £812,000 (FY 2016: £556,000) of Value Added Taxation receivable from the Kenya Revenue Authority. Of the current balance £472,000 is older than 3 years. Despite clear provisions in the Kenyan legislation regarding the recoverability of VAT, two audits and continuous consultation with the Kenya Revenue Authorities the balance due remains outstanding. Management is of the opinion that there is no legal reason not to recover the balance due.

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

Notes to the Consolidated Financial Statements

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22. Cash and cash equivalents

Group

	2017 £'000	2016 £'000
Bank balances	2,650	2,148
Bank overdrafts used for cash management purposes	–	(92)
Cash and cash equivalents in the statement of cash flows	2,650	2,056

Company

	2017 £'000	2016 £'000
Bank balances	3	94
Cash and cash equivalents in the statement of cash flows	3	94

23. Capital and reserves

Share capital and share premium

	Number of ordinary shares	
	2017	2016
On issue at 1 July	167,441,000	168,441,000
Cancellation of treasury shares	–	(1,000,000)
On issue at 30 June – fully paid	167,441,000	167,441,000
Authorised – par value £0.01	1,000,000,000	1,000,000,000

	Ordinary share capital	
	2017 £'000	2016 £'000
Balance at 1 July	1,675	1,685
Shares cancelled in year	–	(10)
Balance at 30 June	1,675	1,675

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.

Share Premium

Represents excess paid above nominal value on historical shares issued.

Exchange reserve

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

24. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2017 was based on the profit attributable to owners of the Company of £336,000 (2016: profit £946,000), and a weighted average number of ordinary shares outstanding of 167,441,000 (2016: 168,364,288), calculated as follows:

Profit attributable to ordinary shareholders

	2017 Continuing operations £'000	2017 Discontinued operations £'000	2017 Total £'000	2016 Continuing operations £'000	2016 Discontinued operations £'000	2016 Total £'000
Profit/(loss) attributable to owners of the Company	1,348	(1,012)	336	992	(46)	946

Weighted average number of ordinary shares

	2017	2016
Issued ordinary shares at 1 July	167,441,000	168,441,000
Effect of treasury shares cancelled	-	(76,712)
Weighted average number of ordinary shares at 30 June	167,441,000	168,364,288

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2017 was based on the profit attributable to ordinary shareholders of £336,000 (2016: profit £946,000), and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 172,932,186 (2016: 170,360,026), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	2017 Continuing operations £'000	2017 Discontinued operations £'000	2017 Total £'000	2016 Continuing operations £'000	2016 Discontinued operations £'000	2016 Total £'000
Profit/(loss) attributable to owners of the Company	1,348	(1,012)	336	992	(46)	946

Weighted average number of ordinary shares (diluted)

	2017	2016
Weighted average number of ordinary shares (basic)	167,441,000	168,364,288
Effect of share options on issue	5,491,186	1,995,738
Weighted average number of ordinary shares (diluted) at 30 June	172,932,186	170,360,026

Notes to the Consolidated Financial Statements

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25. Obligations under finance leases

	2017 £'000	2016 £'000
Non-current liabilities		
Finance lease liabilities	229	157
Current liabilities		
Current portion of finance lease liabilities	154	129

Terms and conditions of outstanding leases were as follows:

2017	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	14.0%	2023	273	273
Finance lease liabilities	ZAR	10.5%	2019	110	110
Total interest-bearing liabilities				383	383

2016	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Finance lease liabilities	KES	14.0%	2023	181	181
Finance lease liabilities	ZAR	10.5%	2018	105	105
Total interest-bearing liabilities				286	286

Finance lease liabilities

Finance lease liabilities are payable as follows:

2017	Future minimum lease payments £'000	Interest £'000	Present value of minimum lease payments £'000
Less than one year	172	18	154
Between one and five years	216	12	204
More than five years	25	–	25
	413	30	383

2016	Future minimum lease payments £'000	Interest £'000	Present value of minimum lease payments £'000
Less than one year	134	5	129
Between one and five years	115	1	114
More than five years	43	–	43
	292	6	286

The average lease term is 3.4 years. For the year ended 30 June 2017, the average effective borrowing rate was 10.5% (2016: 10.5%). Interest rates are variable over the lease term and vary according to the South African prime interest rate and US Base interest rate.

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

26. Interest bearing borrowings

	2017 £'000	2016 £'000
Current liabilities		
Interest bearing borrowings	1,172	55

Terms and conditions of outstanding borrowings were as follows:

2017	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5%plus 1yr LIBOR	2018	1,172	1,172
Total interest-bearing liabilities				1,172	1,172

The interest-bearing borrowing is an on-demand, revolving pre-export loan with Scipion Active Trading Fund. Security on the drawn amounts has been granted over Goldplat Recovery (Pty) Limited's tailings facility in South Africa, intercompany loan agreements, contracts and proceeds of sale with gold refiners, and the collection bank account operated by Gold Mineral Resources for that purpose.

Interest bearing borrowings are payable as follows:

2017	Future minimum payments £'000	Interest £'000	Present value of minimum payments £'000
Less than one year	1,289	117	1,172
	1,289	117	1,172

2016	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	ZAR	10.5%	2018	55	55
Total interest-bearing liabilities				55	55

Interest bearing borrowings are payable as follows:

2016	Future minimum payments £'000	Interest £'000	Present value of minimum payments £'000
Less than one year	56	1	55
	56	1	55

Notes to the Consolidated Financial Statements

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27. Share options

Reconciliation of outstanding share options

	2017		2016	
	Number of options	Exercise price	Number of options	Exercise price
Outstanding at 1 July	18,500,000		8,500,000	
Granted during the year	–		11,000,000	3.125p
Lapsed during the year	–		(1,000,000)	
Outstanding at 30 June	18,500,000		18,500,000	

The weighted average exercise price of the exercisable options is £0.0660 (2016: £0.0660).

The weighted average remaining contractual life of the options outstanding at the reporting date is 2 years 301 days.

28. Provisions

Environmental obligation

	2017 £'000	2016 £'000
Balance at 1 July	383	121
Provisions made during the year	–	244
Effect of foreign exchange movements	63	18
	446	383
Non-current	446	383
Balance at 30 June	446	383

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

29. Deferred taxation

	2017 £'000	2016 £'000
Balance at 1 July	510	459
Current charge		
– temporary difference	(10)	57
Effect of foreign exchange movements	84	(6)
Balance at 30 June	584	510
Comprising:		
Capital allowances	744	647
Provisions	(160)	(137)
	584	510

30. Trade and other payables

Group

	2017 £'000	2016 £'000
Trade payables	3,751	2,666
Amounts received in advance	6,334	1,107
Accrued expenses	6,346	7,362
	16,431	11,135

Company

	2017 £'000	2016 £'000
Trade payables	55	117
Accrued expenses	30	30
	85	147

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.

31. Notes to the cash flow statement

31.1 Financing cost

	2017 £'000	2016 £'000
As per statement of profit or loss and other comprehensive income	(96)	(39)
	(96)	(39)

31.2 Acquisition of property, plant and equipment

	2017 £'000	2016 £'000
Additions for the year	(2,056)	(1,365)
<i>Adjust for: Additions acquired on hire purchase (note 14)</i>	300	81
	(1,756)	(1,284)

Notes to the Consolidated Financial Statements

continued

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 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	
	2017	2016
	£'000	£'000
Trade and other receivables	12,003	6,255
Cash and cash equivalents	2,650	2,056
	14,653	8,311

Company	Carrying amount	
	2017	2016
	£'000	£'000
Loans to subsidiary	4,500	4,614
Cash and cash equivalents	3	94

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.

32. Financial instruments continued

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

Group

	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	1-5 years £'000	5 years or more £'000
2017						
Non-derivative financial liabilities						
Finance lease liabilities	383	(413)	(29)	(143)	(216)	(25)
Interest bearing borrowings	1,172	(1,172)	(213)	(959)	–	–
Trade and other payables	16,431	(16,431)	(5,830)	(10,601)	–	–
	17,986	(18,016)	(6,072)	(11,703)	(216)	(25)

	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	1-5 years £'000	5 years or more £'000
2016						
Non-derivative financial liabilities						
Finance lease liabilities	286	(292)	(22)	(112)	(115)	(43)
Interest bearing borrowings	55	(55)	(10)	(45)	–	–
Trade and other payables	11,135	(11,135)	(3,950)	(7,185)	–	–
Bank overdraft	92	(92)	(92)	–	–	–
	11,568	(11,574)	(4,074)	(7,342)	(115)	(43)

Company

	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	1-2 years £'000
2017					
Non-derivative financial liabilities					
Trade payables	85	(85)	(43)	(42)	–
	85	(85)	(43)	(42)	–

	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	1-2 years £'000
2017					
Non-derivative financial liabilities					
Trade payables	147	(147)	(75)	(72)	–
	147	(147)	(75)	(72)	–

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

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continued

32. Financial instruments continued

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

2017	High	Low	Average
Gold price – USD/oz	1,368	1,129	1,258
Rand/USD exchange rate	14.80	12.43	13.60
GBP/USD exchange rate	1.34	1.21	1.27
GHC/USD exchange rate	4.71	3.90	4.17
Kshs/USD exchange rate	103.85	99.31	100.73
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

Sensitivity analysis

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

2017	High case scenario	Low case scenario
Gold price – USD/oz	1,368	1,129
Rand/USD exchange rate	14.80	12.43
GBP/USD exchange rate	1.34	1.21
GHC/USD exchange rate	4.71	3.90
Kshs/USD exchange rate	103.85	99.31
Equivalent Rand price per kilogram	651,070	451,341
Equivalent GBP price per kilogram	32,857	30,124
Equivalent GHC price per kilogram	207,390	141,555
Equivalent Kshs price per kilogram	4,567,964	3,605,341
2016	High case scenario	Low case 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

32. Financial instruments continued

The Group's sensitivity to market risk

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

	High case scenario £'000	Low case scenario £'000
2017		
Effect on the results and equity for the year based on these assumptions would have been:		
– Gold Recovery Ghana Limited	1,815	(1,271)
– Goldplat Recovery (Pty) Limited	4,613	(4,517)
– Kilimapesa Gold (Pty) Limited	394	(376)
	High case scenario £'000	Low case scenario £'000
2016		
Effect on the results and equity for the year 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)

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than GBP. The currency giving rise to this risk is primarily the US Dollar ("USD").

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.

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 2017 totalled £24,421,000 (2016 £24,069,000).

33. Capital commitments

In order to maintain the Ghanaian gold license which grant Gold Recovery Ghana Limited, the Company's wholly owned gold recovery subsidiary in Ghana, the right to purchase and process by-products for the purposes of recovering and exporting gold and concentrates, an elution plant must be installed and commissioned by 30 June 2018. The construction of the elution plant is being funded by internal resources and a further estimated £833,000 (2016: £67,000) needs to be spent before commissioning the plant.

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34. 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:

	2017 £'000	2016 £'000
Goldplat plc		
– Loans and borrowings	(4,500)	(4,614)
– Goods, equipment and services received	(154)	(144)
Kilimapesa Gold (Pty) Limited		
– Loans and borrowings	4,743	3,327
Nyieme Gold SARL		
– Loans and borrowings	1,255	1,198
Anumso Gold Limited		
– Loans and borrowings	81	79
Midas Gold SARL		
– Loans and borrowings	441	417
Goldplat Recovery (Pty) Limited		
– Loans and borrowings	(217)	(44)
– Goods, equipment and services supplied	173	9
Gold Recovery Ghana Limited		
– Loans and borrowings	75	–

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

	2017 £'000	2016 £'000
Kilimapesa Gold (Pty) Limited		
– Trade and other receivables	863	658
– Goods, equipment and services supplied	881	532
Gold Recovery Ghana Limited		
– Trade and other receivables	699	575
– Goods, equipment and services supplied	557	346
– Purchase of precious metals	(5,648)	(4,459)
– Trade and other payables	(1)	(295)
Anumso Gold Limited		
– Trade and other receivables	8	8
– Goods, equipment and services supplied	–	3

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

34. Related parties continued

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

	2017 £'000	2016 £'000
Nyieme Gold SARL		
– Trade and other receivables	46	35
– Goods, equipment and services supplied	11	17
Kilimapesa Gold (Pty) Limited		
– Trade and other receivables	275	–
– Sale of asset	–	225
Anumso Gold Limited		
– Trade and other receivables	31	15
– Goods, equipment and services supplied	30	11

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

	2017 £'000	2016 £'000
Nyieme Gold SARL		
– Trade and other receivables	1	–
– Trade and other payables	3	–
– Goods, equipment and services supplied	2	–

Other transactions

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

	2017 £'000	2016 £'000
Directors		
– Trade and other payables	(139)	(69)

Notes to the Consolidated Financial Statements

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35. Group entities

Subsidiaries

	Activity	Country of incorporation	Ownership interest 2017	Ownership interest 2016
Directly				
Gold Mineral Resources Limited	Holding company	Guernsey	100%	100%
Indirectly				
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:

	2017 £'000	2016 £'000
Total Assets	22,338	14,332
Total Liabilities	13,205	7,783
Profit for the year	1,466	1,358
Cash flow movements in year	2,268	(409)

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

On 30 March 2017 Ashanti exercised its initial option to earn into the Anumso Gold Project in Ghana ("Anumso" or the "Project") under the terms of the option agreement between Goldplat and Ashanti.

Ashanti has the right to earn 75% of Goldplat's interest in the Project (giving Ashanti 67.5% of the overall Project interest) by expending US\$3 million on exploration over a period of 2.5 years. An initial 51% share of Goldplat's interest will be earned through expending US\$1.5 million in the first 18 months (the "Initial Option Period"), which includes a six-month review period. This review period is now over and Ashanti has elected to continue with the Agreement. Ashanti is obliged to either expend US\$1.5 million on the Project within the Initial Option Period, or pay the deficiency to Goldplat.

Should Ashanti meet the expenditure condition within the Initial Option Period and receive 51% of Goldplat's interest in the Project (45.9% of the overall Project interest), it will have the option to earn an additional 24% share of Goldplat's interest (21.6% of the overall Project interest) by expending an additional US\$1.5 million in the following 12 months period, or by paying the deficiency to Goldplat.

36. Subsequent events

GPL entered into legal proceedings with Rand Refinery on 11 September 2017 to recover the balance outstanding of £792,000 (FY 2016: £679,000) and interest due.

Company Information

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

GOLD RECOVERY



GPL Wash Plant



GPL Gravity Concentrators



Woodchips



Mill Steel Liners



GPL Rotary Kilm



GRG New Elution Column

GOLD MINING



Plant 2 Crusher Section + Thickener



Plant 2 Ball Mill



Adit Bull



Plant 2 with Kilimapesa Hill in the background



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