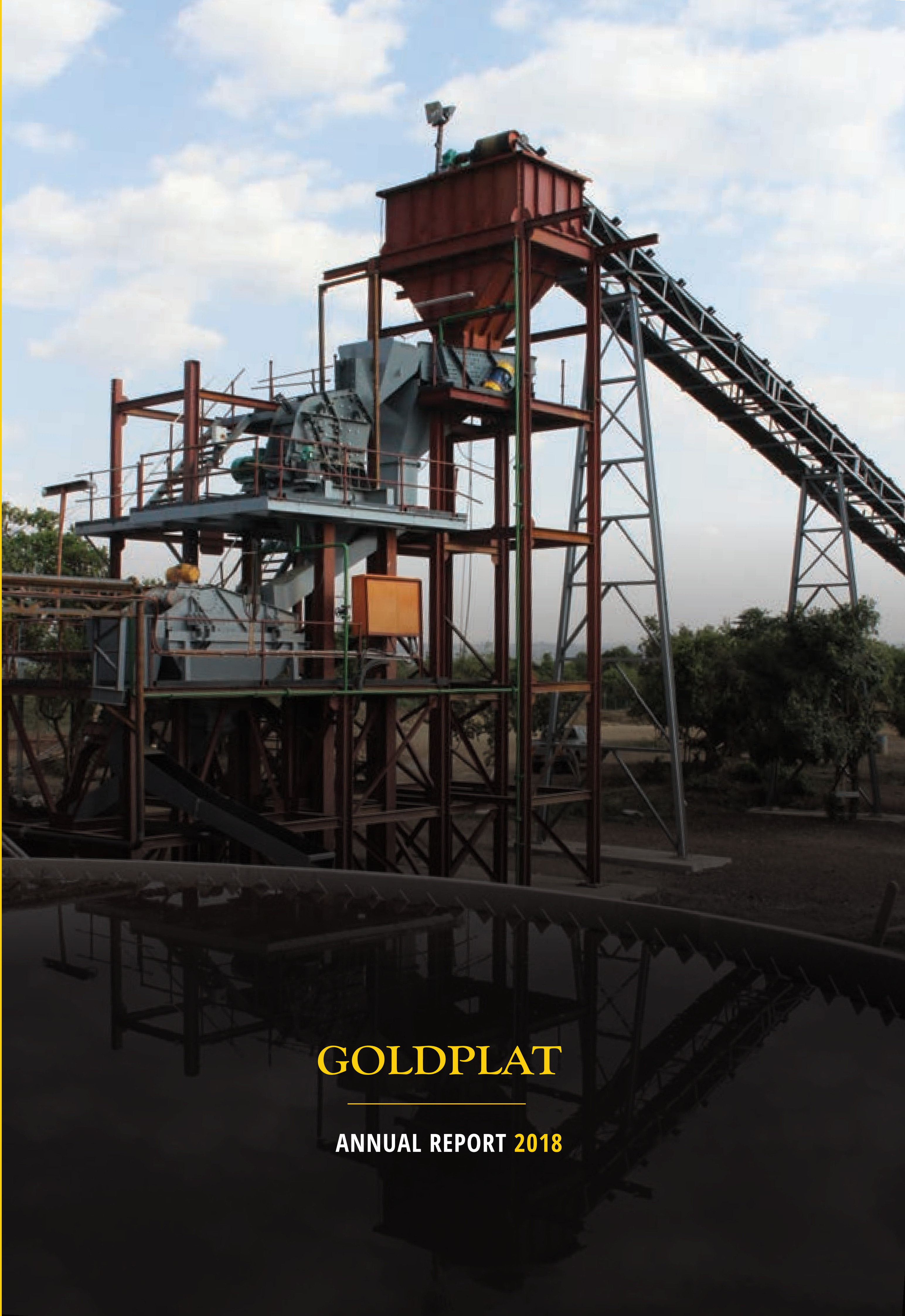

GOLDPLAT

ANNUAL REPORT 2018

A CASH GENERATIVE AND PROFITABLE GOLD PRODUCER FOCUSSED ON BUILDING PRODUCTION AND GLOBAL PROFILE

GOLD RECOVERY

An environmental and cost-efficient solution to dispose of by-products from mining activities

Goldplat Recovery (Pty) Ltd
SOUTH AFRICA

Produced **23,567 oz Au** FY 2018

(FY 2017: 29,418 oz Au)

Gold Recovery Ghana Limited
GHANA

Produced **6,752 oz Au** FY 2018

(FY 2017: 10,031 oz Au)

PRIMARY MINING

Active growth strategy - assessing producing / near term production projects.

Aiming to increase primary mining production to 50,000 ounces

Kilimapesa Gold Mine
KENYA

Produced **5,112 oz Au** FY 2018

(FY 2017: 3,408 oz Au)

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HIGHLIGHTS

OPERATIONS / CORPORATE

- 35,431 gold equivalent ounces, representing a 17% decrease over the previous year, were produced during FY 2018 (FY 2017: 42,857 ounces), albeit at higher margins
- When compared to FY 2017, production at both Goldplat Recovery (Pty) Ltd ('GPL') and Gold Recovery Ghana ('GRG') were lower whereas production at Kilimapesa Gold (Pty) Limited ('Kilimapesa') increased by more than 50%
- 39,400 gold equivalent ounces were sold and transferred during FY 2018 (FY 2017: 40,285 ounces). The amount of gold sold and transferred during FY 2018 was higher than production for the period primarily due to sales of stock being carried over from the previous year

GOLDPLAT RECOVERY (PTY) LTD ('GPL') - SOUTH AFRICA:

- Produced 23,567 ounces of gold and gold equivalent during FY 2018 (FY 2017: 29,418) of which 21,059 ounces were produced for its own account (FY 2017: 22,570) and 5,219 ounces were transferred to clients (FY 2017: 6,173)
- Resolved dispute with Rand Refinery, with an undisclosed amount being paid to GPL
- Purchased a large strategic stockpile of raw material (containing circa 16,000 ounces of gold) to secure future production through the CIL circuits
- Continue to identify best way in which to monetise tailings storage facility, which contains 81,959oz Au – good progress made to find additional processing options whilst discussions regarding the use of West Pit 3 remain ongoing

GOLD RECOVERY GHANA LIMITED ('GRG') - GHANA:

- Produced 6,752 ounces of gold during FY 2018 (FY 2017: 10,031) and 8,010 ounces were sold (FY 2017: 8,327). The decrease in production is primarily a result of a large, one-off contract being processed during FY 2017, with the sales figure for FY 2018 reflecting sales of gold produced from this contract
- Identified an opportunity to promote the environmental value of GRG's recovery services and entered into discussions with the Government of Ghana regarding a potential project to address environmental issues in-country by recovering and treating artisanal tailings
- Refurbished and commissioned a 3-tonne elution plant (acquired in South Africa in FY 2017) creating greater value uplift as beneficiation of most material to Dore bars can now be completed in-country

KILIMAPESA GOLD MINE ('KILIMAPESA') - KENYA:

- Increased production by 50% to 5,112 ounces of gold during the year (FY 2017: 3,408 ounces), all of which were sold during the period (FY 2017: 3,215 ounces)
- Stage 2 expansion at Plant 2 was completed early in the financial year and the Stage 2 mill throughput target of 120 tonnes per day has been exceeded with feed rates of 180 tonnes per day being regularly achieved
- In May 2018, in line with previously announced plans, processing at Plant 1 was stopped, reducing overall production costs and allowing gold recovery to be optimised
- The Board of Goldplat approved a process to seek an investment partner for Kilimapesa to enable existing shareholders to realise value from the operation without having to invest additional capital – discussions have begun with a number of interested parties and operational focus remains on achieving profitable production

FINANCIALS

- 6.8% increase in revenue to £33,796,000 (FY 2017: £31,650,000)
- Profit from operating activities, including a bad debt write-off of £320,000 decreased by 13.8% £2,509,000 (FY 2017: £2,910,000)
- Strong performance continues to be reported at the GPL with a 10.7% increase in profit from operating activities to £3,667,000 (FY 2017: £3,312,000)
- GRG reported a 51% decrease in profit from operating activities to £646,000 (FY 2017: £1,325,000)
- Kilimapesa reported a net loss of £892,000 for the year (FY 2017: loss of £1,100,000)
- Net profit for the year decreased by 48% to £506,000 (FY 2017: £964,000) for the Group
- Net cash position for the Group of £1,539,000 as at 30 June 2018 (£2,650,000 as at 30 June 2017)

Chairman's Statement

Goldplat is a unique gold producer, combining gold recovery with primary mining across the Group's three principal operations – precious metal recovery facilities in South Africa and Ghana, and gold mining in Kenya. This diverse production approach provides us with multiple growth opportunities, which we have self-funded as we look to build production and revenues for the benefit of all stakeholders.

For the year to 30 June 2018 Group results from operating activities achieved a profit of £2,509,000 (FY 2017: £2,910,000). Whilst this is lower than the previous year, I believe this is a positive result which underpins the robustness of our business model as whilst our South African operation, Goldplat Recovery (Pty) Ltd ('GPL') performed strongly during the period with significantly increased operating profits, the Ghanaian and Kenyan operations faced challenges, which impacted bottom line numbers. In Ghana, at Gold Recovery Ghana Limited ('GRG'), the issue was a period of shortage of suitable material for processing, meaning that we operated at under-capacity. I am pleased to confirm that we have a number of new contracts in the pipeline, which we expect to positively impact production and accordingly profitability moving forward. In Kenya, at Kilimapesa Gold (Pty) Limited ('Kilimapesa'), unseasonably high rainfall, disruptions from elections and production hold-ups presented issues as we seek to transition to steady-state mining and processing. We have identified a number of operational improvements that already have and can be made to lower costs and improve efficiencies to achieve profitability in the short term, and we are actively seeking an investment partner to help us realise the full value potential of the mine moving forward.

Profit for the year from continuing operations was £506,000 (FY 2017: £1,976,000), reflecting higher charges for finance costs of £722,000 (FY 2017: £74,000) and for taxation of £1,281,000 (FY 2017: £860,000). As a result, I believe that the year's financial performance masks progress. We have made good progress in developing worldwide opportunities for sourcing material for processing in our precious metal recovery facilities and we continue to enhance our processing facilities in order to profit from those opportunities. We have also run a lean operation when it comes to administrative expenses, after adjusting for a one-off bad debt provision for the year. As a result, I believe our foundations for growth remain strong.

In support of this growth, as a Group we continue to engage positively with the governmental, regulatory and community structures in countries where we operate. In Ghana, we have been supportive of the government's initiative to address the environmental aspects of artisanal mining, providing equipment and sitting on the steering committee. Furthermore, in South Africa we continue to contribute our views on the proposed changes relating to the ownership and operation of entities in the mining sector. Our operations in South Africa, Ghana and Kenya continue to provide employment, skills upgrading for employees and local purchasing, all of them operating to high standards of environmental and health and safety protocols.

At a corporate level, and in response to a change in the rules of the AIM market, the Board is in the process of adopting the QCA Corporate Governance Code (2018). Since Goldplat's admission to AIM in 2006, the Board has practiced standards of corporate governance generally recognised as appropriate for an AIM company of Goldplat's size and resources. The adoption of the Code in 2018 represents a significant step in the evolution of the Group's corporate governance as we continue to examine its management and how we communicate that corporate governance to shareholders and other stakeholders in line with our commitment to maintaining transparency and operating honestly and fairly in all that we do. This report covers a period prior to the Group beginning the adoption of the Code.

As part of this transparency, we also remain committed to maintaining our programme of seeking active engagement with our shareholders, as demonstrated by the executive team hosting a well-attended Q&A conference call in March 2018. We look forward to organising similar events in the coming year and of course will continue to keep shareholders updated on developments across our portfolio.

Finally, whilst this year has had its frustrations and successes, constant through the year has been the effort and enthusiasm of management, staff and advisors in South Africa, Ghana and Kenya, for which I'd like to give thanks. With a skilled workforce, strong portfolio of assets and a clear development pipeline through which we can grow our business, I am optimistic about our prospects in FY 2019.

Matthew Robinson
Chairman

1 October 2018

Operations Report

Introduction

FY 2018 was identified as the year where production and profitability would increase following a number of strategic initiatives undertaken at the different subsidiaries, however it became clear towards the end of the year that FY 2018 would serve more as a building block for a solid foundation in FY 2019. At Goldplat Recovery (Pty) Ltd ('GPL') in South Africa, the Rand Refinery dispute was resolved, a strategic stockpile of material for processing through the carbon in leach ('CIL') circuits was sourced, and new sources of material were identified and secured both within South Africa as well as elsewhere on the continent. At Gold Recovery Ghana Limited ('GRG') an elution plant was installed and commissioned, good progress was made in identifying and securing sources of by-product material from West Africa and South America, an initiative to re-process artisanal tailings in partnership with the Ghanaian Government was begun and the GRG site was cleaned up with the old tailings facility being completely removed during the year. At Kilimapesa Gold (Pty) Limited ('Kilimapesa') Stage 2 of the planned Plant 2 expansion was completed but for various reasons sustainable profitability was not achieved. The Board of Goldplat has approved a process to seek an investment partner for Kilimapesa therefore enabling existing shareholders to realise value from the operation without having to invest further capital. Discussions have begun with a number of interested parties and whilst these are in progress the focus remains on getting Kilimapesa to produce profitably in the short term.

FY 2018 was a year during which a lot was achieved which did not translate into increased production or profitability, but Goldplat is confident that this will materialise during FY 2019.

Areas of Strategic Focus

The following strategic areas of priority were identified during the year:

- Concluding a number of long-standing projects at GPL, including the stock dam re-processing, optimisation of recoveries from the strategic stockpile and making Platinum Group Metal by-products a regular and profitable source of material.
- Achieving profitability on a sustainable basis at Kilimapesa. As this requires further capital, Goldplat is seeking a partner to provide the required funding to enable profitability, complete further expansion and to continue the exploration work programme.
- Sourcing sufficient appropriate quality carbon material to support the carbon processing business at GRG, which remains key to the operation. Within Ghana, material supply is unpredictable and hence procurement in South America, West Africa and elsewhere in Africa is of utmost strategic importance.
- Goldplat believes 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 two-year period. While 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.

Gold Production and Sales

The table below provides a summary of gold and gold equivalent production and sales for FY 2018, with comparisons to FY 2017. During FY 2018, 35,431 gold equivalent ounces, representing a 17% decrease over the previous year, were produced (FY 2017: 42,857 ounces), albeit at higher margins. Production at both GPL and GRG were lower whereas production at Kilimapesa increased by roughly 50% when compared to FY 2017. In order to achieve the levels of production of FY 2017 at the recovery operations it is essential that large contracts are secured from outside of the countries of operation. This was not achieved at either GRG or GPL during the year. 39,400 gold equivalent ounces were sold and transferred during FY 2018 (FY 2017: 40,285 ounces). The level of gold sold and transferred during FY 2018 was higher than production for the period primarily to due to the sale of stock carried over from the previous year.

Goldplat Plc Consolidated	Year ending June 2018 Equivalent Gold kg	Year ending June 2018 Equivalent Gold oz	Year ending June 2017 Equivalent Gold kg	Year ending June 2017 Equivalent Gold oz
Gold Equivalent Production				
Goldplat Recovery	733	23,567	915	29,418
Gold Recovery Ghana	210	6,752	312	10,031
Kilimapesa Gold	159	5,112	106	3,408
Total	**1,102**	**35,431**	**1,333**	**42,857**
Gold Equivalent Sold				
Goldplat Recovery	655	21,059	702	22,570
Gold Recovery Ghana	249	8,010	259	8 327
Kilimapesa Gold	159	5,112	100	3,215
Total	**1,063**	**34,181**	**1,061**	**34,112**
Gold Equivalent Transferred				
Goldplat Recovery	162	5,219	192	6,173
Total	**162**	**5,219**	**192**	**6,173**
Gold Equivalent Sold and Transferred				
Goldplat Recovery	817	26,278	894	28,743
Gold Recovery Ghana	249	8,010	259	8,327
Kilimapesa Gold	159	5,112	100	3,215
Total	**1,225**	**39,400**	**1,253**	**40,285**

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 operations, 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 various gold producers in South Africa and Ghana as well as numerous producers from elsewhere in the world, including a growing 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, carbon-in-leach ('CIL'), elution, incineration, flotation, spiraling and shotblasting.

During FY 2018 GPL produced 23,567 ounces of gold and gold equivalent (FY 2017: 29,418) of which 21,059 ounces were produced for its own account (FY 2017: 22,570) and 5,219 ounces were transferred to clients (FY 2017: 6,173). Goldplat believes that its "base" production level from traditional South African sources is around 22,000 ounces of gold and gold equivalents, and, as such, it is essential to secure large contracts from outside of South Africa in order to enable production closer to FY 2017 levels of around 29,000 ounces. No such large contract was concluded during FY 2018.

During the period, terms of a settlement of the dispute between GPL and Rand Refinery were agreed and a Memorandum of Understanding (the 'Memorandum') was signed by the two parties early in January 2018 (see announcement of 12 January 2018). The Memorandum contained the terms agreed to for inclusion in a Settlement Agreement, including agreement on an undisclosed amount to be paid by Rand Refinery to GPL in full and final settlement of the dispute. The Settlement Agreement was signed by the two parties on 22 February 2018 (see announcement of 22 February 2018). The finalisation of this dispute represented a significant achievement, freeing up valuable management time to focus on the core operations of our business.

A large strategic stockpile of raw material (containing circa 16,000 ounces of gold) was purchased during the period to secure production through the CIL circuits. Metallurgical test work to optimise recoveries from this stockpile is ongoing and is expected to be concluded early in FY 2019. Whereas this stockpile is marginal by nature, opportunistic processing at times of high gold prices and when other sources of material are insufficient to run the plant to capacity will be undertaken.

Focus continues on optimising the recovery of gold from the Tailings Storage Facility ('TSF'), which has a JORC reported resource of 81,959 ounces of gold earmarked for future reprocessing. Progress in securing the West 3 Pit for final tailings deposition (which will allow re-processing of the stock dam to begin) is subject to the consent of the Department of Mineral Resources and the current owners of the pit working on legal requirements for reclassification of the status of the pit. Whilst this process is outside of GPL's control, Goldplat continues to engage with both parties. Refurbishment and configuration of an existing flotation circuit at GPL was completed to facilitate test work for the TSF material. These tests were successfully completed during the period. During the year an alternative option for reprocessing and final deposition of the TSF, where the rate of processing can be significantly increased, was also explored with encouraging results. This alternative option will be further investigated in parallel with the existing plan of reprocessing the TSF onsite and final deposition into West Pit 3.

Sourcing of material remained an area of strategic focus at GPL during FY 2018. 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 the availability of by-product material for GPL. Focus remained on securing contracts with new operators both within South Africa as well as elsewhere in Africa, and in seeking new by-products from existing clients. Good progress was made towards the end of the year regarding sourcing of materials containing Platinum Group Metals and this is expected to become a more regular source of material during FY 2019.

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 spiralling section, filter presses, incinerators 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, including fine carbon, fine carbon sludges, steel and rubber mill liners, wood chips, slag, scaling and grease. Due to a gradual decrease in the availability of material in Ghana, increasing amounts are sourced from outside of Ghana, including East Africa, West Africa and South America.

During FY 2018 GRG produced 6,752 ounces of gold (FY 2017: 10,031) and 8,010 ounces were sold during the period (FY 2017: 8,327). The decrease in production compared to the previous year is primarily a result of a one-off large contract processed during FY 2017, whilst the sales figure for FY 2018 includes sales of gold produced from this contract. Notwithstanding the lack of a single one-off large contract during the year, sourcing of sufficient good-quality material for Ghana was difficult throughout the year and the plant was under-utilised most of the time. Relentless efforts by management to conclude new contracts have progressed well, but unfortunately none of these resulted in production during the year. We are however optimistic that these should positively impact production for FY 2019.

During the year, a 3-tonne elution plant (acquired in South Africa in FY 2017) was refurbished at GPL, shipped to Ghana, assembled and commissioned on site at GRG. This plant is operating efficiently and has enabled further in-country value add. Installation of eluting capacity was also a stipulation by the Ghanaian Government in terms of GRG's license renewal and it was commissioned 6 months ahead of the required deadline.

The process of removing the tailings deposit from the GRG site that began during FY 2017 was completed during FY 2018. This removed an environmental liability and freed up space for potential plant and other infrastructure expansion. During the year, security on-site was improved and a general clean-up of large stockpiles of low-grade material was completed, ensuring space and a secure environment for the planned increase in production at GRG in the future.

A third fluidised bed incinerator, which was purchased second-hand from an operator in Tanzania, was shipped to GRG for later installation and commissioning. This unit is intended mainly for the treatment of lower grade materials being sourced from South America and is designed to increase incinerator throughput by circa 33%.

Aligned with efforts to increase market reach, an opportunity was identified to benefit from the environmental value of our recovery services and discussions were held with the Government of Ghana regarding a potential project to clean-up artisanal tailings in-country. In support of this, a pilot plant was delivered to Ghana to test the reprocessing of the artisanal material. The Government has delayed the project pending formalisation of a coordinated programme of artisanal tailings clean-up and the simultaneous rehabilitation of land in the test area. A steering committee has been appointed to manage these efforts and a GRG Board member is part of this committee. Whereas the economic benefit of this initiative is still not known, it is not likely to be a significant source of profitability but rather a social responsibility and environmental awareness initiative, leading to other opportunities. We look forward to continuing work with the Government to finalise plans for this potential partnership. Whilst these discussions progress, we have taken advantage of having the pilot plant on site by using it on a trial basis to process tailings from the spiral plants at GRG.

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. The Company has been sourcing and shipping material on a regular basis from various individual suppliers in South America, with a number of producers now supplying regular batches of material. Negotiations regarding a large plant clean-up for a South American producer progressed to an advanced stage during the year with conclusion expected early in Q1 of FY 2019. Discussions with North American producers are also ongoing with the expectation of signing contracts during FY 2019. Finally, during the year significant progress was made in sourcing material from West African producers and numerous trial batches were processed at GRG. A number of large contracts are near completion and are expected to be concluded in FY 2019. Alongside this, contracts with one of the large Ghanaian producers were successfully renegotiated towards the end of the financial year and large batches of material are expected to be delivered early in FY 2019. Positive announcements about the Obuasi Gold Mine, which is located in the Ashanti Region of Ghana, regarding re-opening and expansion, also augur well for supply of material from within Ghana going forward.

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 of 8,715,291 tonnes at 2.40 g/t of gold for a total of 671,446 ounces of gold at 1 g/t.

Kilimapesa increased production by 50% to 5,112 ounces of gold during the year (FY 2017: 3,408 ounces), all of which were sold during the period (FY 2017: 3,215 ounces). This production was lower than the initial forecast for the year of 5,800 ounces of gold but exceeded the revised guidance of 5,000 ounces given in the announcement to cease operations at the existing processing plant, 'Plant 1' in May 2018.

Stage 2 expansion at the new 'Plant 2' was completed early in the financial year and whereas mill throughput for Stage 2 expansion at Plant 2 was initially planned at 120 tonnes per day, a rate of 180 tonnes per day has been regularly achieved. This tonnage throughput is being derived from a combination of ore from the Kilimapesa Hill underground mine and purchased artisanal tailings which were previously processed at Plant 1.

Having achieved operational profitability in the last two months of the previous financial year, FY 2018 was beset with issues which led to higher than expected costs, lower than expected grades, and operational losses throughout the year. The main issues impacting on production and profitability were unseasonal high rainfall; disruption caused by a protracted presidential election process; difficulties procuring good quality artisanal tailings; and consistent delays in releasing spares and equipment through customs.

Looking first at mining activity, production from Kilimapesa Hill mine increased steadily throughout the year, with three veins being mined from both Adit Bull and Adit D. Despite the use of a mechanical loader, development rates have not been sufficient to open adequate blocks of ground for selective mining, and for better grade management, which resulted in grades from the underground operations continuing to be below plan throughout the year. Limited selective mining from higher grade blocks is necessary as the average grade of the resource is not currently economically viable and accordingly towards the end of the year two additional second-hand loaders were acquired and these began operating early in FY 2019 to help deliver on this strategy.

In support of selective mining we are also undertaking strategic underground exploration work to enable better planning and mining going forward. A qualified and experienced Kenyan driller familiar with the local geology was employed to manage this programme. A Kempe exploration drill has been commissioned and an underground drilling programme is in process. A Kenyan geologist was also employed during the year to allow outstanding underground sampling and mapping to be undertaken. Information from these exploration and sampling programmes are being fed into a 3-D mining model to assist in mine planning.

Exploration operations were stopped at the Teng Teng decline as sufficient work has been done to enable a resource to be calculated and a mining licence applied for if found to be viable. Dewatering remains ongoing with the water being used by the community and to provide a back-up supply for the processing plants during the dry season.

At the processing level, in May 2018, in line with previously announced plans, processing at the incumbent Plant 1 was stopped with a view to reducing overall production costs and optimising gold recovery. Whilst this resulted in lower gold production than initially forecast, I am pleased to report that the planned decrease in costs was achieved in the last months of the financial year despite not retrenching any of the employees, who were all deployed to the new Plant 2 and other areas of the operations.

Stage 3 expansion at Plant 2, which will include installation of an additional mill (sourced and on site), an additional thickener and three additional carbon in leach ('CIL') tanks, is on hold until consistent operational profitability is achieved. Construction of the new tailings facility was delayed in order to preserve cash, and a series of borrow pits were constructed within the final facility footprint. Completion of the main facility is planned for early in FY 2019 as the borrow pits are nearing capacity.

A decision was taken in FY 2017 to install grid power to Plant 2 and the Kilimapesa Hill mine. This was initially planned for completion during FY 2018 but, due to financial constraints and delays in obtaining authorisations and quotes, this is now planned for FY 2019.

In October 2017 management were advised of an application for an exploration licence over an area in the Kilimapesa exploration licence. An objection was lodged and numerous meetings have been held with officials from the Ministry of Mining and the Licensing Authority, including the Cabinet Secretary (Minister of Mines). Despite meeting with the Cabinet Secretary, it is unclear as to the exact status of this application and the Company is taking legal advice on the best way to proceed. The area under dispute contains roughly 140,000 ounces of gold in resource, or approximately 20% of the total resource for Kilimapesa. However, the resource on Kilimapesa Hill, where current mining activities are taking place, remains unaffected at approximately 532,000 ounces. No exploration will be undertaken until this issue has been resolved and confirmation has been received that no part of the initial exploration licence has been taken away without compensation.

Finally, looking at the Group's wider development strategy for Kilimapesa, the Board of Goldplat has approved a process to seek an investment partner for the mine to enable existing shareholders to realise value from the operation without having to invest additional capital. Discussions have begun with a number of interested parties and whilst these discussions progress the focus remains on getting Kilimapesa to produce profitably in the short term.

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 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 USD3.0 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 USD1.5 million over 18 months. Ashanti is obliged to either expend USD1.5 million on the project within the initial option period or pay the deficiency to Goldplat. On 12 January 2018 it was announced that the initial option period had been extended to 31 October 2018.

Should Ashanti meet the expenditure condition within the initial option period and receive 51% of Goldplat's interest in 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 USD1.5 million in the following 12-month period, or by paying the deficiency to Goldplat.

By the end of FY 2018, Ashanti had spent an aggregate of USD1.4 million on exploration work at the project. The results from this work were announced by Ashanti during FY 2018, with metallurgical test work results for work done in FY 2017 demonstrating encouraging recoveries. An extensive soil sampling programme across Anumso to test the strike extent of the Banka conglomerate was also completed and Adit sampling was undertaken to investigate mineralisation beneath the known surface anomalies. Ashanti's planned work for the next period includes the completion of assaying of soil and Adit samples as well as beginning a trenching programme ahead of the next drilling campaign. The next drilling campaign is planned for Q2 of FY 2019 to test the soil sample anomaly to the north of the existing JORC resource.

Outlook

Goldplat believes that many of the initiatives completed during FY 2018 and those currently in progress will result in increased production and profitability in FY 2019. Growth in the recovery business in FY 2019 is expected to come from GRG, primarily as a result of ongoing initiatives to source material from West Africa and South America. A number of large contracts which are at advanced stages of negotiation are expected to be concluded early in FY 2019. Although the project being assessed with the Ghanaian Government to clean-up artisanal tailings is currently on hold, if the project is approved during the year and test work is commenced, the economies and potential benefits to GRG will be considered.

At GPL, we expect production and profitability to remain at current levels, albeit the focus has shifted to the more profitable CIL production locally and sourcing of additional by-products from outside of South Africa. If discussions with a third-party producer to process the TSF off-site progress well, this project could begin during the FY 2019. Production of Platinum Group Metal concentrates is also expected to increase significantly during this new financial year.

At Kilimapesa, with Plant 1 now closed and costs stabilised, focus will be on production volumes and grade. At the same time, if efforts to find a partner to invest in the mine and the exploration licence are successful, the requirement for any more capital input by the Group will be removed.

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, ideally with a project where an opportunity exists to create a simultaneous recovery operation.

Conclusion

I would like to take this opportunity to thank our Goldplat employees, advisors, fellow directors and shareholders for their support during what was a very challenging year on many fronts. The Board looks forward to successes on identified strategic initiatives and consequent growth in production and profitability.

Gerard Kisbey-Green
Chief Executive Officer

1 October 2018

Financial Review

The recovery operations delivered another strong performance achieving a profit from operating activities for the year under review of £4,313,000 (FY 2017: £4,636,000), while Kilimapesa continued to trade at a loss resulting in a loss from operating activities from continued operations for the mining and exploration segment of £995,000 (FY2017: 862,000). In total the profit from Group operating activities of £2,509,000 (FY2017: 2,910,000) decreased by £401,000, due to a bad debt write-off of £320,000 during the current period and additional losses incurred in the mining and explorations segment.

The 6.8% increase in revenue was driven by higher a gold price of USD1,293 per ounce (FY 2017: USD1,258 per ounce) and a slight increase in the gold sold for the Group's own account to 34,181 ounces (FY 2017: 34,112 ounces).

If the bad debt write-off of £320,000 is excluded, the administrative expenses for the year under review of £2,562,000 decreased slightly (FY 2017: £2,286,000).

The operating currencies for the Group are South African Rand (ZAR), Ghanaian Cedi (GHS) and Kenyan Shilling (KES). The average exchange rates for the year used in the conversion of operating currencies in the Statement of Profit or Loss and Other Comprehensive Income weakened against the Pound Sterling during the period under review, apart from the South African Rand (ZAR) which remained approximately the same.

The net finance loss from continued operations of £722,000 (FY 2017: £74,000) includes £543,000 interest on borrowings and finance liabilities (FY 2017: £85,000). The increase in interest on borrowings and finance liabilities was due to financing of the construction of the elution plant at GRG during the period and Plant 2 at Kilimapesa in the previous period, as well the Group cost in pre-financing sales to smelters and refiners.

Included in the foreign exchange loss from continued operations of £199,000 (FY 2017: £11,000) is £80,000 unrealised loss on translation of the proceeds from sale of shares in subsidiary.

The additional foreign exchange loss is mainly as a result of the movement of the operating currencies against the US Dollar. The performance of the operating currencies against the USD Dollar fluctuated significantly during the period and the performance of each operating currency varied. The GHS weakened against the USD Dollar, while the KES strengthened over the same period. The ZAR year on year weakened against the US Dollar, but on average the ZAR was 5,6% stronger against the US Dollar during the current financial period.

The Group's capital expenditure for the year, including development costs, amounted to £2,015,000 (FY 2017: £2,213,000) of which £992,000 was expended to complete the elution plant in Ghana.

The expansion in Ghana was primarily funded by drawing down £358,000 on the on-demand, revolving pre-export facility with Scipion Active Trading Fund to the value of US$2,000,000. The loan is secured over the GPL tailings facility in South Africa, intercompany loan agreements, contracts and proceeds from sales with gold refiners, and collection bank accounts operated by GMR for that purpose. The loan is repayable over 12 months and the intention is to draw-down on the facility as and when needed.

At GPL, capital spent during the period totalled £283,000 (FY 2017: £372,000), of which £81,000 was focussed on maintaining current circuits and £49,000 on expanding and improving the blending and sampling section. A loader was replaced on finance lease at a cost of £112,000. The balance of the capital was spent on improving waterflow in the plant (£19,000), reducing the electricity cost (£8,000), upgrading security (£9,000) and maintaining office buildings (£5,000).

At GRG, in addition to the elution plant, a further £57,000 was spent on upgrading the incinerator section and £97,000 on the pilot plant planned to be used to assist the government in the potential environmental clean-up project being discussed.

At Kilimapesa capital expenditure for the period totalled £489,000; £393,000 was spent on Plant 2 and the remainder on power generators and vehicles for the underground mine. The capital expended on Plant 2 includes £89,000 for a ball mill to be installed as part of the planned Stage 3 upgrades, £92,000 on a second power generator and £64,000 on mechanical loading equipment.

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 USD1.5 million in the first 18 months, which includes a six-month review period. On 12 January 2018 it was announced that the initial option period had been extended to 31 October 2018. At year-end Ashanti has not yet met the expenditure condition in full and the sale of Goldplat's 51% interest in Anumso has therefore not been recorded in the current period.

The decrease in precious metals on hand and in process to £3,797,000 (FY 2017: £6,898,000) can be attributed to high levels of stock at the end of FY 2017 relating to a large one-off contract and the reduction in inventory days in FY 2018. The reduction in inventory days was as a result of additional refiner contracts signed in the previous period and the resolution of the Rand Refinery dispute during the year.

During the period GPL and GRG made use of a purchase contract and bill of sale agreement with Auramet International LLC to part-finance material en-route to refineries. The balance of amounts received in advance at the year-end was £2,407,000 (FY 2017: £6,334,000) and is secured against the receivable balance it relates to. The proceeds from pre-financed material were used to settle suppliers of this material.

The Group reported a decrease in net cash resources to £1,539,000 at 30 June 2018 (FY 2017: £2,650,000). The decrease is partly due to £1,961,000 invested in raw materials, mostly in GPR to ensure that sufficient material is on site for the CIL sections to operate for the next 24 months.

Goldplat Recovery (Pty) Ltd – South Africa

Although revenues decreased to £22,669,000 (FY 2017: £25,066,000), mostly due to a large one-off contract in FY 2017, GPL continued to perform well and increased its operating profits to £4,670,000 (FY 2017: £3,312,000).

The operating result in South Africa was achieved primarily on the performance of the CIL circuits, supported by the by-product material received from the mines and the finalisation of treatment of a large one-off batch of by-products received from a client in Africa in FY 2017.

The South African subsidiary reported a net profit after tax of £2,765,000 (FY 2017: £2,420,000).

Gold Recovery Ghana Limited – Ghana

GRG was maintained on similar levels to the previous year, with revenues increasing in Ghanaian Cedi but decreasing in British Pound from £9,082,000 to £8,241,000 during the year under review. The revenues however include the sale of more higher-grade material at lower margins than the previous year, resulting in a decrease in gross profit to £1,032,000 (FY 2017: £1,662,000).

The profit before finance cost of £646,000 (FY 2017: £1,325,000) was reduced to a loss after tax of £33,000 (FY 2017: profit of £1,354,000) due to the foreign exchange losses on an intercompany loan balance of £505,000 and interest on pre-financing of sales of £148,000.

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%.

Kilimapesa Gold (Pty) Limited – Kenya

Kilimapesa reported an increase in revenue of 54% from £3,150,000 to £4,834,000 as a result of more ounces produced on the back of increased processing capacity in Plant 2. The increase in revenue did not translate into increased profits due to lower than expected grades and higher than expected costs, as more fully explained in the Operations Report, resulted in increased losses before finance costs of £986,000 (FY 2017: £838,000).

Taxation

The tax charged for the year increased, although profits have reduced, as there is no set-off between losses in one jurisdiction against profits in another jurisdiction. An increase in dividends declared by GPL of more than 100% also attracted an irrecoverable withholding tax on portion of dividend paid to the Group.

Further to above, the tax rate for GPL increased as it is subjected to formula tax based on its profitability and the amount of capital invested. The withholding tax rate on dividends in South Africa increased from 15% to 20% effective 22 February 2017.

Contingencies

Trade and other receivables for the Group include a balance of £1,074,000 (FY 2017: £812,000) of Value Added Taxation receivable from the Kenya Revenue Authority. Of the current balance £542,000 is older than three 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.

Werner Klingenberg
Finance Director

1 October 2018

The Board

MATTHEW ROBINSON
Independent Non-Executive Chairman
(Appointed in 2016)
Matthew is a high-profile figure in the growth company arena, with more than 15 years' experience in mining and resources. He spent 15 years to 2015 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
(Appointed in 2014)
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, ultimately 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 period, 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
(Appointed in 2006)
Ian is a Chartered Accountant who has worked in senior positions in the mining industry since 1990. 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 in 2006.

The Board

continued

HANSIE VAN VREDEN
Chief Operating Officer
(Appointed in 2013)
Hansie has been Chief Operating Officer since 2013 and is an experienced metallurgist with over 15 years in the mining industry. Prior to joining Goldplat he worked at several Anglo Gold Ashanti 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 Bachelor's degree in Engineering (Chemical: Mineral Processing) from the University of Stellenbosch.

WERNER KLINGENBERG
Finance Director
(Appointed in 2017)
Werner qualified as a Chartered Accountant with Deloitte in South Africa and he has accrued significant commercial experience, both within Southern Africa and at a wider 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 was integral in managing Goldplat's financial affairs. With his knowledge and understanding of the Group's operations, he was appointed to the role of Finance Director in 2017.

NIGEL WYATT
Independent Non-Executive Director
(Appointed in 2013)
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
(Appointed in 2017)
Sango is the executive chairman and co-founder of NMT Capital (Pty) Limited, a diversified investment holding group, which holds 26 per cent interest in Goldplat Recovery (Pty) Limited. 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. Sango is the Chairman of the board of Goldplat's subsidiary, Goldplat Recovery (Pty) Ltd.

Stephen Ronaldson
Company Secretary
(Appointed in 2005)
Stephen is a partner in Druces LLP's Corporate & Commercial team, with over 30 years' experience in corporate law with a particular expertise in the mining and oil and gas sectors. Stephen acts as company secretary for several publicly listed companies.

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 30 June 2018.

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 £1,787,000 (2017: profit £2,836,000) and an after tax profit of £506,000 (2017: profit £964,000).

Major events after the reporting date

There was no major events that occurred after the reporting date.

Dividends

No dividend is proposed in respect of the year ended 30 June 2018 (2017: £nil per share).

Political donations

There were no political donations during the year (2017: £Nil).

Corporate governance

Chairman's Corporate Governance Statement

Since the year-end Goldplat has been working towards the adoption of the QCA Corporate Governance Code (2018) as its recognised corporate governance code and this statement, and other disclosures, is presented pursuant to that Code. Where aspects of Goldplat's corporate governance are disclosed on Goldplat's website this may be found at www.goldplat.com under Corporate Governance.

Corporate governance is an evolutionary process. Since Goldplat's admission to AIM in 2006, the Board has practiced standards of corporate governance generally recognised as appropriate to a company on AIM of its size and resources. We have, and do, actively take account of the views of shareholders and professional advisers.

The adoption of the Code in 2018 represents a significant step in the evolution of the group's corporate governance. In our view this as an opportunity to continue to examine how we manage corporate governance and how we communicate that governance to shareholders and other stakeholders. This Annual Report covers a period prior to the adoption of the Code.

Risk management

The Board actively seeks to identify and mitigate risks to the group and its businesses. This is detailed in the Directors report under directors' responsibility.

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

– Audit Committee Report

The Audit Committee membership is Matthew Robinson, Chairman, and Ian Visagie. Ian Visagie is not considered an independent director. Ian Visagie is a Chartered Accountant (SA) and has wide knowledge of the group but has no responsibility for the finance function. Matthew Robinson is a Chartered Accountant (UK). The committee's terms of reference are available on the website.

The Audit Committee met twice in the year to 30 June 2018 to discuss planning of the annual audit and matters arising from the audit. Representatives of the auditors were in attendance.

The Audit Committee reports verbally to the full board ahead of the Board approving the accounts for the year.

The Group's auditors have held office since 2015 and provide no other services to the Group. The three principal operating entities are separately audited by local firms and their work is subject to review by the Group auditor under guidelines of International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

The terms of reference and composition of the Audit Committee are under review.

The two audit committee meetings held during the period were attended by both members.

– Remuneration Committee Report
The Remuneration Committee members are Matthew Robinson, Chairman, and Nigel Wyatt, both of whom are considered independent directors. The committee's terms of reference are available on the website. The committee meets four times a year and reports its recommendations to the full board, but does not prepare a written report. Any recommendations are subject to approval by the whole board.

Goldplat seeks to retain and incentivise a strong executive management team and to ensure that remuneratively their interests are aligned over the medium term with those of shareholders. To this end, executive directors receive base salaries and, on a discretionary basis, performance related pay and options to acquire ordinary shares in the company.

It is the Company's practice that option awards are made at market price at the time of award and vest and become exercisable over a period (usually three years) sufficient to ensure a balance between incentive for the executive and outcome for shareholders.

Executive's salaries take into account the individual's responsibilities within the group and their professional and technical qualifications, in the context of where the group operates. The group's parent is traded on a public market in UK but has no operations in UK and the operating entities are in South Africa, Ghana and Kenya. In this context, a comparison of the total pay of the highest paid director to the average pay of all company employees is not considered to be meaningful to an assessment of the pay of the highest paid director. In July 2018 executive director's salaries were increased by 3% to make an adjustment for inflation.

Executive director's employment contracts provide for six months' notice of termination on either side.

Existing option entitlements are set out in note 27 of the Report and Accounts.

In 2017 additional remuneration of £100,000 was awarded, as set out below under Directors Remuneration and Service Contracts and in note 10 of the Report and Accounts, following significant improvement in the financial performance of the Group over the three years to the year ended 30 June 2017. Results from Operating Activities moved from a loss of £0.7m for 2015, to £1.2m profit for 2016 and £2.9m profit for 2017.

The terms of reference and composition of the Remuneration Committee is under review.

Director's Performance
The Board's performance is measured principally by the financial results and by the operations' performance regarding environmental, health and safety and other regulatory requirements and takes into account feedback from shareholders which is regularly received through shareholder meetings and correspondence.

The two remuneration committee meetings held during the period were attended by both members.

Directors

The following Directors served during the period:

G Kisbey-Green	(Chief Executive Officer)
M S Robinson	(Non-executive Chairman)
I Visagie	(Executive Director)
J H Van Vreden	(Chief Operating Officer)
W Klingenberg	(Finance Director)
N G Wyatt	(Non-executive Director)
S Ntsaluba	(Non-executive Director)

During the year 6 board meetings where held. All the board meetings were attended by all board members.

Directors' interests

The beneficial interests of the Directors holding office on 30 June 2018 in the issued share capital of the Company were as follows:

	30 June 2018		30 June 2017	
	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%	300,000	0.18%
N G Wyatt	30,950	0.018%	30,950	0.018%
G Kisbey-Green	159,626	0.10%	–	–

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 2018.

Directors' remuneration and service contracts

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

2018

	Salaries £'000	Fees £'000	Other £'000	Total £'000
G Kisbey-Green	176	–	40	216
M S Robinson	–	35	–	35
I Visagie	131	–	25	156
J H Van Vreden	132	–	25	157
W Klingenberg	112	–	10	122
N G Wyatt	–	25	–	25
S Ntsaluba	–	20	–	20
	551	80	100	731

The other fees paid include the additional remuneration referred to under the remuneration committee report above.

Management fees of £20,000 (FY 2017: £20,000) were paid during the reporting period by GPL to its minority shareholders, in which S Ntsaluba has an ultimate shareholding.

Directors’ Report

continued

2017

	Salaries £’000	Fees £’000	Other £’000	Total £’000
G Kisbey-Green	175	–	11	186
M S Robinson	–	24	–	24
B M Moritz (resigned October 2016)	–	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

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.

Director's Performance

The Board's performance is measured principally by the financial results and takes into account feedback from shareholders which is regularly received through shareholder meetings and correspondence.

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

1 October 2018

Strategic Report

The directors present their Strategic Report for the year ended 30 June 2018.

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 2019 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; sourcing material for the CIL (Carbon-in-Leach) sections at GPL; and completing the expansion project at Kilimapesa and seeking co-investors to fund future development 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 by the Group, 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, has been expanded through the erection of a larger CIL and crushing section to reduce the cost per tonnage process.

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 but 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 are, and 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 processing or 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 processing and mining projects. To mitigate development risk the Group supplements this from time to time with the engagement of external expert consultants and contractors.

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

The Group is responsible for rehabilitation at all its operations.

Financing and Liquidity risk
The Company may need to finance expansion through the equity 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.

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

Partner risk
In South Africa, the Black Economic Empowerment legislation, specifically the 2010 Mining Charter, required 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. In addition to many other changes to the 2010 Mining Charter, the 2017 Mining Charter required a minimum of 30% Black Economic Empowerment shareholding. Further to an interdict application brought by the Chamber of Mines (now the Minerals Counsel of South Africa) against implementation of the Charter, the Minister of Mineral Resources undertook not to implement or apply the provisions of the 2017 Charter pending judgement on the interdict. On 15th June, 2018 a new "draft Mining Charter 2018" was published by the Department of Mineral Resources.

On 27 September, 2018 it was announced by the Department of Mineral Resources that the Mining Charter 2018 had been gazetted. GPL is compliant with the Mining Charter 2010, and with implementation of the 2018 Charter certain changes will be required to maintain compliance, primarily in respect of: (i) the "top-up" of mandatory Black Economic Empowerment shareholding which is currently set at 26%, but is to be increased to 30%, and (ii) in the required make-up of management demographics. The implications of the new Charter on Goldplat Recovery and plans for implementation over the required period will be considered.

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

1 October 2018

Independent Auditor's Report to The Members of Goldplat Plc

for the year ended 30 June 2018

Financial statements subject to audit
We have audited the Financial Statements of Goldplat Plc (the "Parent Company" or "Company") and its subsidiaries (the "Group") for the year ended 30 June 2018 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 related notes.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company Financial Statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and in the case of the Parent Company as applied in accordance with the provisions of Companies Act 2006.

Our opinion
In our opinion 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 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union and in the case of the Parent Company as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to 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.

Key audit matters

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.

Revenue recognition

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

These transactions involve complex assay valuations and are of high value, both of which are highly subjective.

Due to the need for the Group's customers to verify these assay reports through their own valuations and given the inherent delay in obtaining these valuations, there is a potential risk in terms of the completeness and accuracy of the revenue being recognised.

We have agreed a sample of sales from invoices to the customer assay reports and gold valuation documents. We then traced these to the nominal ledger to ensure accuracy and completeness of revenue recognition.

We have also reviewed the sequencing of the invoices, post year end bank receipts and post year end sales in order to gain further assurance over completeness.

For sales around the reporting date, we selected a sample from the nominal ledger and assessed whether they had been recorded in the correct period through a review of the independent assay valuations and timing of the gold shipments.

Intangible asset

The Group has capitalised certain pre-production mining expenditure. There is a risk that this expenditure has been overstated in order to improve the reported profit for the year.

Furthermore, there is a risk that the net book value of these assets is overstated due to a lack of economic benefit to the Group.

We have reviewed a sample of costs capitalised to ensure that they qualify for recognition as an intangible asset and agreed these amounts to third party supporting documentation.

The management have made an assessment of the economic value to the Group by reference to a JORC compliant resource statement and a valuation report both prepared by independent valuers. We reviewed this assessment and these reports to ensure that they are reliable evidence and that the economic value has been calculated in accordance with other audit evidence available to us. We also reviewed to ensure that the assumptions used in making this assessment are reasonable.

Amounts recoverable from subsidiary

In the Parent Company a risk has been identified with the valuation of amounts owed by Group companies. There is a risk that an amount owed by a subsidiary Company may not be fully recoverable.

As this is recoverable from future profits of the extraction of the gold, we reviewed the forecasts prepared for the subsidiary to ensure that it is reasonable to assume that sufficient profits will be realised in order for the amounts to be repaid in the future.

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 £216,900, approximately 10% of profit before tax. 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 based on 2% of turnover.

We agreed to report to the Audit and Risk Committee all potential adjustments in excess of £10,845 being 5% of the consolidated Financial Statements materiality as a whole, in addition to other identified misstatements that warranted reporting on qualitative grounds.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the industry in which they operate.

The Group operates through three trading subsidiary undertakings which are 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 set out in note 35.

All significant components were subject to full-scope audits and had component auditors. The Group audit team was in contact, at each stage of the audit, in line with detailed instructions issued and through planning calls and regular written communication with the component auditors. Specifically, for all component teams, the Group team discussed in detail the planned audit approach at the component level and following the Group audit team review, discussed the detailed reported findings of the audit with each component team.

The remaining trading subsidiaries were not subject to full-scope audits. Specific audit procedures on certain balances and transactions were performed, based upon Group materiality.

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.

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.

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.

Responsibilities of Directors
As explained more fully in the directors' responsibilities statement, set out on page 18 and 19, 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.

Use of our report
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.

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

1 October 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 £'000	2017 £'000
Continuing operations			
Revenue	7	33,796	31,650
Cost of sales		(28,725)	(26,454)
Gross profit		5,071	5,196
Administrative expenses		(2,562)	(2,286)
Profit from operating activities		2,509	2,910
Finance income		20	22
Finance costs		(742)	(96)
Net finance cost	11	(722)	(74)
Profit from operating activities after finance income		1,787	2,836
Taxation	13	(1,281)	(860)
Profit for the year from continuing operations		506	1,976
Discontinued operations			
Loss for the year from discontinued operations	12	–	(1,012)
Profit for the year		506	964
(Loss)/Profit from continued operations attributable to:			
Owners of the Company		(213)	1,348
Non-controlling interests		719	628
Profit for the year		506	1,976
(Loss)/Profit from operations attributable to:			
Owners of the Company		(213)	336
Non-controlling interests		719	628
Profit for the year		506	964
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange translation		(880)	1,025
Other comprehensive (expense)/income for the year		(880)	1,025
Total comprehensive (expense)/income for the year		(374)	1,989
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(1,093)	1,361
Non-controlling interests		719	628
Total comprehensive (expense)/income for the year		(374)	1,989
Earnings per share			
Basic earnings per share (pence)	24	(0.13)	0.20
Diluted earnings per share (pence)	24	n/a	0.19
Earnings per share – continuing operations			
Basic earnings per share (pence)	24	(0.13)	0.81
Diluted earnings per share (pence)	24	n/a	0.78

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 June 2018

	Notes	2017 £'000	2016 £'000
Assets			
Property, plant and equipment	14	8,023	7,181
Intangible assets	15	8,462	8,707
Proceeds from sale of shares in subsidiary	16	1,137	1,424
Non-current cash deposits	17	–	201
Non-current assets		17,622	17,513
Inventories	20	7,791	8,962
Trade and other receivables	21	7,603	12,003
Cash and cash equivalents	22	1,915	2,650
Current assets		17,309	23,615
Total assets		34,931	41,128
Equity			
Share capital	23	1,675	1,675
Share premium	23	11,441	11,441
Exchange reserve	23	(6,073)	(5,193)
Retained earnings		11,092	11,305
Equity attributable to owners of the Company		18,135	19,228
Non-controlling interests		2,964	2,673
Total equity		21,099	21,901
Liabilities			
Obligations under finance leases	25	268	229
Provisions	28	417	446
Deferred tax liabilities	29	623	584
Non-current liabilities		1,308	1,259
Bank overdraft	22	376	–
Obligations under finance leases	25	192	154
Interest bearing borrowings	26	728	1,172
Taxation		300	211
Trade and other payables	30	10,928	16,431
Current liabilities		12,524	17,968
Total liabilities		13,832	19,227
Total equity and liabilities		34,931	41,128

The financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 1 October 2018. They were signed on its behalf by:

Werner Klingenberg
Director

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 June 2018

	Attributable to owners of the Company						
	Share capital £'000	**Share premium £'000**	**Exchange reserve £'000**	**Retained earnings £'000**	**Total £'000**	**Non-controlling interests £'000**	**Total Equity £'000**
Balance at 1 July 2017	1,675	11,441	(5,193)	11,305	19,228	2,673	21,901
Total comprehensive (expense)/income for the year							
(Loss)/profit for the year	–	–	–	(213)	(213)	719	506
Total other comprehensive expense	–	–	(880)	–	(880)	–	(880)
Total comprehensive (expense)/income for the year	–	–	(880)	(213)	(1,093)	719	(374)
Transactions with owners of the Company recognised directly in equity							
Changes in ownership interests in subsidiaries							
Non-controlling interests in subsidiary dividend	–	–	–	–	–	(428)	(428)
Total transactions with owners of the Company	–	–	–	–	–	(428)	(428)
Balance at 30 June 2018	1,675	11,441	(6,073)	11,092	18,135	2,964	21,099

The notes on pages 36 to 66 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						
	Share capital £'000	**Share premium £'000**	**Exchange reserve £'000**	**Retained earnings £'000**	**Total £'000**	**Non-controlling interests £'000**	**Total Equity £'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)	(185)
Balance at 30 June 2017	1,675	11,441	(5,193)	11,305	19,228	2,673	21,901

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Result from continuing operating activities		2,509	2,910
Result from discontinued operating activities		–	(1,012)
Adjustments for:			
Depreciation		856	650
Amortisation		218	224
Write off development cost		–	980
Loss on sale of property, plant and equipment		7	4
Equity-settled share-based payment transactions		–	16
Foreign exchange differences		(415)	818
		3,175	4,590
Changes in:			
– inventories		1,171	(1,215)
– trade and other receivables		4,400	(5,748)
– trade and other payables		(5,503)	5,296
Cash generated from operating activities		3,243	2,923
Finance income		20	22
Finance cost	31.1	(647)	(373)
Taxes paid		(1,153)	(805)
Net cash from operating activities		1,463	1,767
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		7	105
Enhancement of exploration and development asset		(17)	(157)
Acquisition of property, plant and equipment	31.2	(1,738)	(1,756)
Receipt of proceeds from sale of shares in subsidiary		181	85
Non-current cash deposit		201	(41)
Net cash used in investing activities		(1,366)	(1,764)
Cash flows from financing activities			
Proceeds from drawdown of interest bearing borrowings		358	1,538
Payment of interest bearing borrowings		(802)	(421)
Payment of dividend by subsidiary to non-controlling interest		(428)	(201)
Payment of finance lease liabilities		(183)	(203)
Net cash flows (used in)/from financing activities		(1,055)	713
Net (decrease)/increase in cash and cash equivalents		(958)	716
Cash and cash equivalents at 1 July		2,650	2,056
Foreign Exchange Movement on opening balance		(153)	(122)
Cash and cash equivalents at 30 June	22	1,539	2,650

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

Company Statement of Financial Position

as at 30 June 2018

	Notes	2018 £'000	2017 £'000
Assets			
Investments	19	9,425	9,425
Non-current assets		9,425	9,425
Loans to subsidiary companies	18	4,402	4,500
Trade and other receivables	21	16	26
Cash and cash equivalents	22	17	3
Current assets		4,435	4,529
Total assets		13,860	13,954
Equity			
Share capital	23	1,675	1,675
Share premium		11,441	11,441
Retained earnings		703	753
Total equity		13,819	13,869
Liabilities			
Trade and other payables	30	41	85
Current liabilities		41	85
Total liabilities		41	85
Total equity and liabilities		13,860	13,954

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 2018 was £50,000 (2017: loss £170,000).

These financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 1 October 2018. They were signed on its behalf by:

Werner Klingenberg
Director

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity

for the year ended 30 June 2018

	Attributable to owners of the Company			
	Share capital £'000	**Share premium £'000**	**Retained earnings £'000**	**Total equity £'000**
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 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
Balance at 1 July 2017	1,675	11,441	753	13,869
Total comprehensive income for the period				
Loss for the year	–	–	(50)	(50)
Total comprehensive income for the period	–	–	(50)	(50)
Balance at 30 June 2018	1,675	11,441	703	13,819

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

Company Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Loss for the year		(43)	(164)
Adjustments for:			
Equity-settled share-based payment transactions		–	16
		(43)	(148)
Changes in:			
– trade and other receivables		10	11
– trade and other payables		(44)	(62)
Cash used in operating activities		(77)	(199)
Interest paid		(7)	(6)
Net cash used in operating activities		(84)	(205)
Cash flows from financing activities			
Loans with subsidiary		98	114
Net cash flows from financing activities		98	114
Net increase/(decrease) in cash and cash equivalents		14	(91)
Cash and cash equivalents at 1 July		3	94
Cash and cash equivalents at 30 June	22	17	3

The notes on pages 36 to 66 are an integral part of these consolidated financial statements.

1. Reporting entity

Goldplat plc (the 'Company') is a company domiciled in England and Wales. The address of the Company's registered office is Salisbury House, London Wall, London, EC2M 5PS. 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.

(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.

(d) Use of estimates and judgements

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

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

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

3. Basis of preparation continued

- 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 2

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.

(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.

4. Significant accounting policies continued

(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 profit or loss.

(ii) Foreign operations

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

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

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

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

(c) Financial instruments

(i) Non-derivative financial assets

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

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

4. Significant accounting policies continued

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 profit or loss.

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.

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.

4. Significant accounting policies continued

(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.

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

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

(e) Intangible assets

(i) Goodwill

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

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

4. Significant accounting policies continued

(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 profit or loss.

(f) Leased assets

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

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

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

(g) Inventories

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

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

4. Significant accounting policies continued

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 profit or loss.

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

(i) Employee benefits

Share-based payment transactions

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

(j) Provisions

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

Environmental obligation

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

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

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

4. Significant accounting policies continued

(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 profit or loss.

The finance expense component of finance lease payments is recognised in profit or loss 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 2018:

Amendments to IAS 7 Statement of Cash Flows

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 2018 or later periods, but which the Group has not early adopted.

The International Accounting Standards Board and IFRIC have issued the following new and revised standards and interpretations with an effective date after the date of these financial statements, which have not been applied in these financial statements:

Standard/Interpretation	Title	Effective date
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The directors anticipate that the adoption of IFRS 9 and IFRS15 will have no material impact on the profit of the financial statements of the Group.

5. New standards and interpretations not yet adopted continued

IFRS 15 presents new requirements for the recognition of revenue. The new standard establishes a control-based revenue recognition model, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. As our contracts and sales are all based on the shipment of goods and revenue is recognised at the point of despatch there will be no material impact on the recognition of revenue or on the Financial Reporting.

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 segments.

- *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 2018

	Recovery operations £'000	Mining and exploration £'000	Adminis-tration £'000	Reconcil-iation to Group figures £'000	Group £'000
External revenues	28,962	4,834	–	–	33,796
Inter-segment revenues	1,948	–	–	(1,948)	–
Total revenues	30,910	4,834	–	(1,948)	33,796
Finance cost	(564)	98	(276)	–	(742)
Depreciation and amortisation	515	559	–	–	1,074
Reportable segment results from operating activities	4,313	(995)	(811)	–	2,509
Reportable segment profit/(loss) before tax of continuing operation	3,769	(897)	(1,141)	56	1,787
Taxation	(1,037)	–	(244)	–	(1,281)
Reportable segment assets	22,778	1,792	31,119	(20,758)	34,931
Capital expenditure	1,509	506	–	–	2,015
Reportable segment liabilities	12,230	3,764	5,524	(7,686)	13,832

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 results from operating activities	4,636	(862)	(864)	–	2,910
Reportable segment profit/(loss) before tax	4,365	(1,133)	(428)	32	2,836
Reportable segment profit/(loss) before tax of discontinuing operation	-	(955)	–	–	(955)
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

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. No sales are made in the UK.

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

Major customer
Revenues from the recovery operations were derived from 5 different customers of which the largest presented 41% (2017: 45%) and revenues from the mining and exploration revenues was derived from 3 different customers of which the largest presented 93% (2017: 57%).

7. Revenue

	2018 £'000	2017 £'000
Sales of precious metals – Recovery operations	28,632	27,243
Sales of precious metals – Mining and exploration	4,834	3,150
Processing fees charged to customers	330	1,257
	33,796	31,650

8. Expenses by nature

	Notes	2018 £'000	2017 £'000
Employee benefit expense	9	5,459	4,865
Depreciation expense	14	856	650
Amortisation charged to cost of sales	15	218	224
Equity-settled share-based payment transactions		–	16
Auditor's remuneration			
– Audit fee		98	81
Bad debt written-off		320	–
Directors' remuneration	10	731	523
Loss on disposal of property, plant and equipment		7	8

Auditor's remuneration in respect of the Company amounted to £41,000 (2017: £33,000).

9. Personnel expenses

	2018 £'000	2017 £'000
Wages and salaries	4,845	4,397
Performance based payments	366	258
National insurance and unemployment fund	43	26
Skills development levy	34	32
Medical aid contributions	60	48
Group life contributions	61	53
Provident funds	50	51
	5,459	4,865

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

	2018	2017
Directors	7	6
Administrative personnel	53	48
Production personnel	515	491
	575	545

10. Directors' emoluments

2018

	Executive £'000	Non-executive £'000	Total £'000
Wages and salaries	551	–	551
Fees	–	80	80
Other benefits	100	–	100
	651	80	731

2017

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

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

	2018 £'000	2017 £'000
Emoluments for qualifying services	216	186

Key management

Apart from the Directors, the emoluments paid to key management personnel amounted to £857,000 (2017: £816,000).

Notes to the Consolidated Financial Statements

continued

11. Finance income and finance costs

Recognised in profit or loss

	2018 £'000	2017 £'000
Interest income on cash balances held	20	22
Finance income	20	22
Interest expense on borrowings	(513)	(47)
Interest on finance leases	(30)	(38)
Foreign exchange loss	(199)	(11)
Finance costs	(742)	(96)
Net finance costs recognised in profit or loss	(722)	(74)

12. Discontinued operations

The exceptional three-year extension granted for the Nyieme Gold Project in Burkina Faso on 29 September 2014 expired in October 2017. As there was 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.

	2018 £'000	2017 £'000
Administrative expenses	–	10
Net finance loss	–	47
Write off development cost of Nyieme	–	955
Loss for the year from discontinued operations	–	1,012
Basic earnings (loss) per share (pence)	–	(0.60)
Diluted earnings (loss) per share (pence)	–	(0.59)

The discontinued operations transactions did not have a tax impact.

13. Taxation

Current tax expense

	2018 £'000	2017 £'000
Tax recognised in profit or loss		
Current tax expense		
Current period	1,018	696
Secondary tax on dividends paid from South Africa	224	90
	1,242	786
Deferred tax expense		
Origination and reversal of temporary differences	39	74
	39	74
Total tax expense	1,281	860

13. Taxation continued

Reconciliation of effective tax rate

	2018 £'000	2017 £'000
Profit for the year	506	964
Total tax expense	1,281	860
Profit excluding tax and discontinued operations	1,787	1,824
Tax using the Company's domestic tax rate of 19% (2017: 19.75%)	340	360
Effects of:		
Expenses not deductible for tax purposes	22	12
Effect of higher/(lower) tax levied on overseas subsidiaries	199	(185)
Tax losses incurred period on overseas subsidiaries	387	526
Adjustment to tax charge in respect of previous periods	89	57
Secondary tax on dividends paid from South Africa	244	90
	1,281	860

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

The tax charge arises in South Africa and Ghana.

The group has tax losses available to be carried forward against future profits arising in Kenya of £9 million (2017: £8,4 million).

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 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
Balance at 1 July 2017	506	490	7,927	1,104	111	80	10,218
Additions	–	6	1,838	143	11	-	1,998
Write-off	–	–	–	–	–	–	–
Disposals	–	–	(27)	–	–	–	(27)
Effect of movements in exchange rates	(3)	(9)	(368)	(49)	(7)	(5)	(441)
Balance at 30 June 2018	503	487	9,370	1,198	115	75	11,748
Depreciation							
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
Balance at 1 July 2017	6	174	2,163	578	64	52	3,037
Depreciation charge for the year	–	23	674	145	10	4	856
Disposals	–	–	(13)	–	–	–	(13)
Effect of movements in exchange rates	–	(10)	(113)	(25)	(4)	(3)	(155)
Balance at 30 June 2018	6	187	2,711	698	70	53	3,725
Carrying amounts							
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
At 30 June 2018	497	300	6,659	500	45	22	8,023

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 secures lease obligations. At 30 June 2018 the net carrying amount of leased land, plant and equipment was £312,000 (2017: £574,000). During the year, the Group acquired leased assets of £260,000 (2017: £300,000) (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 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
Cost				
Balance at 1 July 2017	5,631	3,769	2,170	11,570
Additions	–	–	17	17
Write-off	–	–	–	–
Effect of movements in exchange rates	–	(40)	(40)	(80)
Balance at 30 June 2018	5,631	3,729	2,147	11,507
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
Amortisation and impairment losses				
Balance at 1 July 2017	–	1,978	885	2,863
Amortisation for the year	–	168	50	218
Effect of movements in exchange rates	–	(19)	(17)	(36)
Balance at 30 June 2018	–	2,127	918	3,045
Carrying amounts				
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
Balance at 30 June 2018	5,631	1,602	1,229	8,462

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.

15. Intangible assets continued

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

In October 2017 management were advised of an application for an exploration licence over an area in the Kilimapesa exploration licence. An objection was lodged and it is unclear as to the exact status of this application and the Company is taking legal advice on the best way to proceed. The area under dispute contains roughly 140,000 ounces of gold in resource, or approximately 20% of the total resource for Kilimapesa. However, the resource on Kilimapesa Hill, where current mining activities are taking place, remains unaffected at approximately 532,000 ounces. As the exact status of this application is unclear, no impairment has been made to intangible assets.

As detailed in note 12, the Nyieme Gold Project in Burkino Faso has been discontinued and as such the mining rights and development costs in respect of this project have been written off in the 2017 financial 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:

	2018 £'000	**2017 £'000**
Balance at beginning of year	1,424	1,271
Received from dividends	(181)	(85)
Effect of movement in exchange rates	(106)	238
Balance at end of year	1,137	1,424

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

	2018 £'000	**2017 £'000**
Non-current cash deposit	–	201

This deposit was held in support to a guarantee to the Department of Mineral Resources for the environmental obligations (note 28) in South Africa. The guarantee has been replaced by an insurance policy which has been ceded to Department of Mineral Resources.

18. Loans to subsidiary companies

	2018 £'000	**2017 £'000**
Funds advanced to Gold Mineral Resources Limited	4,402	4,500

Interest is charged at 2% above LIBOR on the monthly outstanding balances. This interest was waived for the year ended 30 June 2018 (2017: £Nil as waived). The loan is unsecured.

19. Investments

	2018 £'000	2017 £'000
Investment in Gold Mineral Resources Limited	9,425	9,425

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

20. Inventories

	2018 £'000	2017 £'000
Consumable stores	1,345	1,202
Raw materials	2,605	644
Precious metals on hand and in process	3,797	6,898
Broken ore	44	218
	7,791	8,962

Amount of inventory charged as an expense was £28,725,000 (2017: £26,454,000)

21. Trade and other receivables

Group

	2018 £'000	2017 £'000
Trade receivables	5,584	10,421
Other receivables	2,019	1,582
	7,603	12,003

Company

	20187 £'000	2017 £'000
Other receivables	16	26
	16	26

Trade and other receivables for the Group include a balance of £1,074,000 (2017: £812,000) of Value Added Taxation receivable from the Kenya Revenue Authority. Of the current balance £542,000 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.

22. Cash and cash equivalents

Group

	2018 £'000	2017 £'000
Bank balances	1,915	2,650
	1,915	2,650
Bank overdrafts used for cash management purposes	(376)	–
Cash and cash equivalents in the statement of cash flows	1,539	2,650

Company

	2018 £'000	2017 £'000
Bank balances	17	3
Cash and cash equivalents in the statement of cash flows	17	3

23. Capital and reserves

Share capital and share premium

	Number of ordinary shares 2018	2017
On issue at 1 July	167,441,000	167,441,000
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 2018 £'000	2017 £'000
Balance at 1 July	1,675	1,685
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 2018 was based on the loss attributable to owners of the Company of £(213,000) (2017: profit £336,000), and a weighted average number of ordinary shares outstanding of 167,441,000 (2017: 167,441,000), calculated as follows:

(Loss)/profit attributable to ordinary shareholders

	2018 Continuing operations £'000	2018 Discontinued operations £'000	2018 Total £'000	2017 Continuing operations £'000	2017 Discontinued operations £'000	2017 Total £'000
(Loss)/profit attributable to owners of the Company	(213)	-	(213)	1,348	(1,012)	336

Weighted average number of ordinary shares

	2018	2017
Issued ordinary shares at 1 July	167,441,000	167,441,000
Weighted average number of ordinary shares at 30 June	167,441,000	167,441,000

Diluted earnings per share

Diluted earnings per share at 30 June 2018 have not been calculated as the effect would be antidilutive. The calculation of diluted earnings per share at 30 June 2017 was based on the profit attributable to ordinary shareholders of £336,000, and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 172,932,186, calculated as follows:

(Loss)/profit attributable to ordinary shareholders (diluted)

	2018 Continuing operations £'000	2018 Discontinued operations £'000	2018 Total £'000	2017 Continuing operations £'000	2017 Discontinued operations £'000	2017 Total £'000
(Loss)/profit attributable to owners of the Company	n/a	-	n/a	1,348	(1,012)	336

Weighted average number of ordinary shares (diluted)

	2018	2017
Weighted average number of ordinary shares (basic)	167,441,000	167,441,000
Effect of share options on issue	5,364,754	5,491,1868
Weighted average number of ordinary shares (diluted) at 30 June	172,805,754	172,932,186

25. Obligations under finance leases

	2018 £'000	2017 £'000
Non-current liabilities		
Finance lease liabilities	268	229
Current liabilities		
Current portion of finance lease liabilities	192	154

Terms and conditions of outstanding leases were as follows:

2018	Currency	Nominal interest rate	Year of maturity	Fair value £'000	Carrying amount £'000
Finance lease liabilities	KES	10.5%	2023	348	348
Finance lease liabilities	ZAR	10.0%	2021	112	112
Total interest-bearing liabilities				460	460

2017	Currency	Nominal interest rate	Year of maturity	Fair 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

Finance lease liabilities
Finance lease liabilities are payable as follows:

2018	Future minimum lease payments £'000	Interest £'000	Present value of minimum lease payments £'000
Less than one year	219	27	192
Between one and five years	282	14	268
More than five years	–	–	–
	501	41	460

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

The average lease term is 3.1 years. For the year ended 30 June 2018, the average effective borrowing rate was 10.25% (2017: 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

	2018 £'000	2017 £'000
Current liabilities		
Interest bearing borrowings	728	1,172

Terms and conditions of outstanding borrowings were as follows:

2018	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5% plus 1yr LIBOR	2019	728	728
Total interest-bearing liabilities				728	728

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:

2018	Future minimum payments £'000	Interest £'000	Present value of minimum payments £'000
Less than one year	750	22	728
	750	22	728

2017	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Interest bearing borrowings	USD	9.5% 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

27. Share options

Reconciliation of outstanding share options

	2018 Number of options	2017 Number of options
Outstanding at 1 July	18,500,000	18,500,000
Outstanding at 30 June	18,500,000	18,500,000

The weighted average exercise price of the exercisable options is £0.0660 (2017: £0.0660). The total exercisable options at 1 July 2018 was 18,500,000 (2017: 14,833,334).

The weighted average remaining contractual life of the options outstanding at the reporting date is 1 year 302 days. On 4 September 2018, 7,500,000 of the options outstanding, reach the end of their contractual life.

28. Provisions

Environmental obligation

	2018 £'000	2017 £'000
Balance at 1 July	446	383
Effect of foreign exchange movements	(29)	63
	417	446

The provision relates to a requirement to rehabilitate the land owned in South Africa upon cessation of the mining lease. The Company has insured the obligation and has ceded the proceeds from the policy to the Department of Mineral Resources in South Africa.

29. Deferred taxation

	2018 £'000	2017 £'000
Balance at 1 July	584	510
Current charge		
– temporary difference	79	(10)
Effect of foreign exchange movements	(40)	84
Balance at 30 June	623	584
Comprising:		
Capital allowances	746	744
Provisions	(123)	(160)
	623	584

30. Trade and other payables

Group

	2018 £'000	2017 £'000
Trade payables	3,419	3,751
Amounts received in advance	2,407	6,334
Accrued expenses	5,102	6,346
	10,928	16,431

Kilimapesa Gold (Pty) Limited, a subsidiary of the Group, has royalties payable to the Kenyan Government in arrears to the amount of GBP177,000. The Company is planning to pay the royalties from outstanding VAT claims receivable and future revenues.

Company

	2018 £'000	2017 £'000
Trade payables	50	55
Accrued expenses	(9)	30
	41	85

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

	2018 £'000	2017 £'000
As per statement of profit or loss and other comprehensive income	(742)	(96)
Adjusted for: Unrealised foreign exchange loss/(gain)	95	(277)
	(647)	(373)

31.2 Acquisition of property, plant and equipment

	2018 £'000	2017 £'000
Additions for the year	(1,998)	(2,056)
Adjust for: Additions acquired on hire purchase (note 14)	260	300
	(1,738)	(1,756)

31. Notes to the cash flow statement continued

31.3 Reconciliation of debt

	2018 £'000	2017 £'000
Balance at 1 July	1,555	341
Additions acquired on hire purchase	260	300
Payment of finance lease liabilities	(183)	(203)
Proceeds from drawdown of interest bearing borrowings	358	1,538
Payment of interest bearing borrowings	(802)	(421)
Balance at 30 June	1,188	1,555
Payable within 1 year	920	1,326
Payable within 2 to 5 years	268	229

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 below and none of these were past due.

	Carrying amount	
Group	**2018 £'000**	**2017 £'000**
Trade and other receivables	7,603	12,003
Cash and cash equivalents	1,539	2,650
	9,142	14,653

	Carrying amount	
Company	**2017 £'000**	**2016 £'000**
Loans to subsidiary	4,402	4,500
Cash and cash equivalents	17	3

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

2018	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
Non-derivative financial liabilities						
Finance lease liabilities	460	(501)	(37)	(182)	(282)	–
Interest bearing borrowings	728	(752)	(376)	(376)	–	–
Trade and other payables	10,928	(10,928)	(4,402)	(6,526)	–	–
	12,116	(12,181)	(4,815)	(7,084)	(282)	–

2017	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
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)

Company

2018	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	1-2 years £'000
Non-derivative financial liabilities					
Trade and other payables	41	(41)	(41)	–	–
	41	(41)	(41)	–	–

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

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

32. Financial instruments continued

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

2018	**High**	**Low**	**Average**
Gold price – USD/oz	1,358	1,210	1,293
Rand/USD exchange rate	14.48	11.55	12.86
GBP/USD exchange rate	1.43	1.28	1.35
GHC/USD exchange rate	4.80	4.35	4.49
Kshs/USD exchange rate	104.00	99.89	102.36

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

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

2018	**High case scenario**	**Low case scenario**
Gold price – USD/oz	1,358	1,210
Rand/USD exchange rate	14.48	11.55
GBP/USD exchange rate	1.43	1.28
GHC/USD exchange rate	4.80	4.35
Kshs/USD exchange rate	104.00	99.89
Equivalent Rand price per kilogram	631,863	449,026
Equivalent GBP price per kilogram	30,442	30,386
Equivalent GHC price per kilogram	209,509	169,152
Equivalent Kshs price per kilogram	4,539,370	3,885,072

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

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:

2018	High case scenario £'000	Low case scenario £'000
Effect on the results and equity for the year based on these assumptions would have been:		
– Gold Recovery Ghana Limited	1,001	(779)
– Goldplat Recovery (Pty) Limited	4,130	(3,625)
– Kilimapesa Gold (Pty) Limited	323	(420)

2017	High case scenario £'000	Low case scenario £'000
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)

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 2018 totalled £24,208,000 (2017 £24,421,000).

33. Capital commitments

As at 30 June 2018 the Group had capital commitments with regards an air compressor purchased for Kilimapesa Mine in an amount of £125,000 (FY2017: £nil).

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:

	2018 £'000	2017 £'000
Goldplat plc		
– Loans and borrowings	(4,402)	(4,500)
– Goods, equipment and services received	(358)	(154)
Kilimapesa Gold (Pty) Limited		
– Loans and borrowings	5,087	4,743
Nyieme Gold SARL		
– Loans and borrowings	1,252	1,255
Anumso Gold Limited		
– Loans and borrowings	80	81
Midas Gold SARL		
– Loans and borrowings	444	441
Goldplat Recovery (Pty) Limited		
– Loans and borrowings	(280)	(217)
– Goods, equipment and services supplied	(41)	173
Gold Recovery Ghana Limited		
– Loans and borrowings	–	75

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

	2018 £'000	2017 £'000
Kilimapesa Gold (Pty) Limited		
– Trade and other receivables	1,821	863
– Goods, equipment and services supplied	1,113	881
Gold Recovery Ghana Limited		
– Trade and other receivables	1,364	699
– Goods, equipment and services supplied	1,146	557
– Purchase of precious metals	(1,782)	(5,648)
– Trade and other payables	–	(1)
Anumso Gold Limited		
– Trade and other receivables	12	8
– Goods, equipment and services supplied	–	–

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:

	2018 £'000	2017 £'000
Nyieme Gold SARL		
– Trade and other receivables	–	46
– Goods, equipment and services supplied	3	11
Kilimapesa Gold (Pty) Limited		
– Trade and other receivables	–	275
Anumso Gold Limited		
– Trade and other receivables	35	31
– Goods, equipment and services supplied	8	30

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

	2018 £'000	2017 £'000
Nyieme Gold SARL		
– Trade and other receivables	–	1
– Trade and other payables	4	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:

	2018 £'000	2017 £'000
Directors		
– Trade and other payables	(222)	(139)

35. Group entities

Subsidiaries

	Activity	Country of incorporation	Ownership interest 2018	2017
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:

	2018 £'000	2017 £'000
Total Assets	17,064	22,338
Total Liabilities	7,284	13,205
Profit for the year	1,118	1,466
Cash flow movements in year	(1,526)	2,268

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. On 12 January, 2018 it was announced that the initial option period had been extended to 31 October, 2018. 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.

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.

Company Information

Directors:	Gerard Kisbey-Green	Chief Executive Officer
	Matthew Robinson	Non-Executive Chairman
	Ian Visagie	Executive Director
	Hansie Van Vreden	Chief Operating Officer
	Werner Klingenberg	Finance Director
	Nigel Wyatt	Non-Executive Director
	Sango Ntsaluba	Non-Executive Director

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