GOLDPLAT

GOLDPLAT PLC

ANNUAL REPORT 2021

Index

Chairman's Statement

Goldplat's two precious metals processing facilities, in South Africa and Ghana, have had a productive year to 30 June 2021 achieving very creditable trading results, whilst the planned simplification of the group structure, to which I referred last year, has now largely been completed.

Looking at trading results, profit for the year was GBP2,179,000 (2020 - Loss GBP1,965,000). The improvement reflects the point that the Group is now carrying much reduced material costs of discontinued operations. Looking at like-for-like profitability from continuing operations, profit for the year was GBP2,749,000, as against GBP3,305,000 in 2020. Even though activity levels in 2021 were higher than in 2020, with turnover up 43% year-on-year, we encountered higher input costs and tighter margins in South Africa in 2021, compensated to a large extent by strong results in Ghana. Cash generation across the Group continued to be robust with net cash flows from operating activities of GBP2,309,000 (2020 - GBP3,380,000) and net year end cash of GBP3,459,000 (2020 - GBP3,146,000).

With regard to the planned simplification of the group structure, we have now: removed the South African operation out of the intermediate Guernsey holding company, thereby reducing materially the Groups' tax cost; increased our holding in the South African operation from 74% to over 90.63%, thereby increasing the Group's share of its profits; and completed the disposal of the Kilimapesa gold mine for an equity and royalty consideration, thereby removing any requirement to provide funding or management resources. Together, these moves leave us with a profitable, cash generative, precious metals processing business and a clear path for cash surplus to the Group's operational requirements and growth plans to be passed up to shareholders.

There have been a number of changes to the composition of the Board over the last year. We were very pleased to welcome Martin Ooi to the Board in October 2021. Martin has been a substantial and supportive shareholder of the Company for a number of years and his perspective will make a valuable contribution to the Group's strategy. In May 2021, Hansie van Vreden left us as Chief Operating Officer to take up appointment as CEO of a specialist mining services company. Given the depth of the Group's management structure, the disposal of the Kilimapesa gold mine, and the appointment of Ayanda Ntsho, a non-main board finance director, it was concluded that the functions of COO would be absorbed into the existing management structure. Following the AGM held in December 2020, Ian Visagie, who had been a director at the Group's admission to AIM in 2006, ceased to be a director. Earlier this month Nigel Wyatt advised the company of his intention to step down after 8 years as an independent non-executive director, and we thank him for his contribution over those years. Given this, we will now conduct a review to determine the appropriate composition of the Board.

Goldplat operates in a well regulated industry and this regulation includes environmental impact, particularly in terms of air, water and site rehabilitation. We are pleased to note that we qualify for the London Stock Exchange's Green Economy Mark, one of only 48 companies on AIM to be so classified. Operating in South Africa and Ghana, we are also very mindful of our legal and social obligations to operate with the participation of local communities. We are also aware that there is much still to do in terms of firstly analysing, quantifying and reporting on our environmental and social impact and then secondly improving and refining our operations, in a manner which we believe investors will increasingly expect.

The teams in South Africa, Ghana and South America have been as productive as ever in pursuit of Goldplat's strategy notwithstanding the constraints of Covid. I thank all Goldplat's employees, as well as our advisors and my fellow directors, for their efforts as we look forward with enthusiasm.

Matthew Seymour Robinson
Chairman
21 December 2021

Operations and Finance Report

Overview

Goldplat plc is a gold recovery services company with two market leading operations in South Africa and Ghana focused on recovering gold and other precious metals from by-products, contaminated soil and other gold bearing material from mining and other industries, providing an economic method for mines to dispose of waste materials while at the same time adhering to their environmental obligations.

During the prior period, the Company classified its gold mining and exploration portfolio at Kilimapesa in Kenya as a disposal group held for sale and its equity interest in the Anumso exploration project in Ghana as a discontinued operation. During the year under review the sale of Kilimapesa in Kenya was completed, with the Company retaining a holding of a 9.2% interest indirectly in the project and a 1% net smelter royalty, capped at USD1.5 million. The mining right in the Anumso exploration project expired during the current period and as indicated, was not renewed.

Goldplat has a JORC defined resource (see the announcement dated 29 January 2016 for further information) over part of its active Tailings Storage Facility ('TSF') at its operation in South Africa of 1.43 million tons at 1.78g/t for 81,959 ounces of gold. Since the resource estimate was made a further 500,000 tons of material have been deposited on the TSF.

Goldplat's extraction processes and multiple process lines enable it to keep materials separate, which provides a high degree of flexibility when proposing a solution for a particular type of material. The processes which are employed include roasting in a rotary kiln, crushing, milling, thickening, flotation, gravity concentration, leaching, CIL, elution and smelting of bullion.

Goldplat recovery operations recover between 1,800 ounces to 2,400 ounces monthly through its various circuits and under different contracts. The grade, recovery, margins and terms of contracts can differ significantly based on the nature of the material supplied and processed. At a minimum, 50% of material produced is exposed to the fluctuation in the gold price, with the remainder of the production being offset by corresponding changes in raw material costs.

The strategy of the company, which also drives the key performance indicators of management, is to return value to the shareholders by creating sustainable cash flow and profitability through: growing its customer base in South Africa, West Africa and further afield; increasing its ability to process lower grade contaminated material through investing into and improving processing methods; forming strategic partnerships with other industry participants; diversifying into processing of platinum group metals ("PGM") contaminated material; and finding a final deposition site for, and optimising the processing of, the TSF.

Goldplat's highly experienced and successful management team has a proven track record in creating value from contaminated gold and other precious metals-bearing material.

Introduction

During the current period, the Company exited its exploration and mining portfolio and largely completed the process of restructuring and positioning the Group, to optimize the returns to shareholders from its gold recovery businesses in South Africa and Ghana.

During the period, the recovery operations continued to deliver good returns with operations in Ghana increasing its profits from operating activities by 256% continuing the progress made in developing the market for supply of material in West Africa and supported by supply out of South America. The West African market still has growth potential but remains dependent on getting approval for export of material from neighbouring countries.

The operations in South Africa had another good production period, but its operating results were impacted by a decreasing gold price throughout the year (although they were higher than prior year), and an increase in price of raw material and other costs. It still delivered operating profits for the period of GBP3.22 million on the back of exceptional results in the previous period (2020 - GBP5.62 million). The sustainable profitability was as a result of increasing the customer base and industry relationships during the past 2 periods, investments made into plant improvements, improving operating efficiencies and achieving cost reductions. Additionally, the South African operation has been investing into potential growth areas, specifically through research and analysis of other raw materials for processing and the reprocessing of the TSF material and Platinum Group Metals ('PGM').

The operations throughout the group have benefitted from a strong gold price during the period of USD1,846/oz (2021 - USD1.560/oz). However, the increase in gold price, and specifically the declining exchange rate during the period in South Africa, did contribute to an increase in the cost of raw material and reduction of margins.

The table below on the operating performance of the continuing operations of the group indicates the ability of the recovery operations in South Africa and Ghana to produce profitably at various gold prices and production levels. The margins of the recovery business are exposed to the volume, quality and type of material received, the gold contained in such material, processing methods required to recover the gold, the final recovery of gold from such material, the contracts terms and gold price.

Management's key focus in the recovery operations remains to increase visibility of earnings through growing its customer base and contracted supplying raw material and on site.

	2021	2020	2019	2018	2017
Average Gold Price per oz in US$ for the year	1,846	1,560	1,263	1,293	1,258
Average GBP / US Dollar exchange rate for the year	1.367	1.2603	1.294	1.28	1.2678
Average Gold Price per kg in GBP for the year	44,110	39,798	31,377	32,475	31,912

	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
Revenue	35,400	24,809	21,769	28,962	28,501
Gross Profit	**6,199**	**7,312**	**3,114**	**5,703**	**5,644**
Administrative expenses	(1,694)	(1,682)	(861)	(1,389)	(1,008)
Operating Profit before Finance Cost	**4,561**	**5,335**	**2,253**	**4,313**	**4,636**

Continued operations

Goldplat Recovery (Pty) Limited – South Africa – ('GPL')

The operations in South Africa had another good production period, but its operating results were impacted by a decreasing gold price, that started off high at the beginning of the financial period and, increases in the price of raw material and other costs. Revenues increased by 10.8% to GBP17.62 million (2020 – GBP15.9 million), mainly as a result of the increase in the average gold price year-on-year. The profits from operating activities however decreased to GBP3.22 million on the back of exceptional results in the previous period (2020 - GBP5.62 million). The decrease in operating profitability was as a result of increase in raw material cost in the higher gold market as well as other operating costs.

By-products (carbon, woodchips, liners and other by-products)

Consolidation continues in the South African gold industry; mines are closing or are becoming more efficient in their processing, resulting in reduced volumes and grade of by-products received. GPL continued to deliver services to clients signed during previous financial periods and extended its service delivery contract with one of its major suppliers during the period for another 3 years. The risk of supply remains due to the short-term nature of contracts. The focus remains on improving the service provided to the mines, with the aim of increasing the term of the contracts.

Low grade materials

The low-grade material processed through GPL's carbon-in-leach circuits ('CIL') is surface material that has been contaminated by more than 100 years of gold mining in South Africa. The gold grade in this material is between 1 to 4 grams a ton (average 2 grams per ton). During the period we have maintained the stock of low-grade material available for processing, on contract and on-site to more than 2 years.

With improved mining and processing methods and focus on the environment, significant tonnages of these types of materials are not being generated, and what is being generated, is processed through the mines' own plants before closure. As a result, the quantities of such materials available to GPL will reduce. Nevertheless, GPL believes there are still numerous sources available, although these will be of a lower grade and/or generate lower recoveries.

GPL continue to make changes to its circuit to increase its ability to extract value from these lower grade materials.

During the year under review we installed and completed the following improvements in the plant:

- We have expanded our pre-treatment facility further through the installation of a jig for GBP94,000, which increased our ability to separate and discard preg-robbing carbons contained in material before the mill, through the use of density medium processes, to enable the company to increase the yield, and improve margins, by processing lower grade material. As a result, we continued to purchase materials of this nature, which are more readily available, which assisted us in maintaining our low-grade materials we currently have on site.
- A further GBP45,000 was incurred on a rotaspiral to reduce carbon in slurry after the mill and before leaching.

The Company is also currently building a strategic partnership in industry to determine if it could provide a service of doing toll processing for smaller mining operations that do not have sufficient plant capacity, skill and deposition facilities. Inline with this strategy, we agreed, after the end of the financial period, with West Wits Mining Limited (ASX: WWI) to process material from their early mine programme through our plant on a toll treatment basis. The initial programme will last approximately 6 months with material processed through our largest CIL circuit, with the option to extend.

Condition and reprocessing of the TSF

We continued to invest money to monitor, extend and increase capacity within GPL's TSF and incurred GBP118,000 for this purpose. During the period we have also incurred GBP428,000 to do pre-construction of an adjoining TSF whilst we are in the process of applying for permitting. GPL will need to invest a further GBP300,000 during the following financial period in establishing this tailings facility and we expect to finance this from operational cash flow. We have made changes to our water use license application to the Department of Water and Sanitation and resubmitted the application at the end of October 2021. We require the application to be approved to complete the construction of the adjoining TSF and expect this by the end of February 2022 if not sooner.

Through research and development in the prior year, we decided that it will be optimal to reprocess the TSF off-site through a large third-party plant and we submitted an application for environmental approval in October 2021 for

Operations and Finance Report Continued

the construction of a pipeline, which could provide us with the ability to pump and process material off-site. We estimate that the approval of the application will take approximately 12 months and during this time we will continue discussions with other third parties.

The option of reprocessing the TSF material at our premises remains but this will require us to invest in a new plant and more importantly get an appropriate final deposition site approved and established.

Gold Recovery Ghana Limited – Ghana ('GRG')

GRG focusses on the processing and recovery of gold from mine by-products and serves the industry in Ghana, West Africa, South America and other parts of Africa.

The sourcing efforts in West Africa and further afield continued to benefit the Group through increased supply of material from our current suppliers. The increase in feed material resulted in revenues increasing from GBP8,909,000 during the period to GBP17,778,000. As a result, GRG increased its profitability, posting an operating profit before finance cost of GBP2,574,000 (2020 - GBP724,000). The results for the year continue to reflect the sourcing risk to which GRG is subject.

Due to the lengthy period it takes to extract value from material (60 to 210 days), from when material leaves the mines to when gold is recovered and subsequently sold, GRG obtains financing to settle payment to the mines earlier. The working capital finance cost for the period for GRG was GBP148,000 (2020 - GBP154,000). A further finance cost of GBP110,000 (2020 - GBP125,000) was incurred at Group level to support working capital in Ghana.

Major investments made in Ghana in prior years has positioned GRG well to service its customers.

The following initiatives will continue to manage and reduce the risk of procurement of sufficient materials for Ghana:

- Expanding the successes achieved in Mali to other mines in Mali, Ivory Coast and Burkina Faso. Some of these efforts have been delayed due to the Covid-19 travel restrictions. In Burkina Faso, the case relating to the export of fine carbon material is still pending and partly delaying any further export of material. Our engagement with mine management and government officials on different levels has continued, with the aim of increasing our footprint to ensure regular supply. Specific progress in this regard has been made during the quarter in Cote d'Ivoire.
- To support the sourcing and export of material to GRG, subsidiaries have been incorporated in Peru and Brazil during the period, and we will be looking to establish a site in Brazil during the next financial period at an estimated cost of USD300,000, none of which has been committed. This should assist us in increasing our presence and service delivery in South America and specifically allow us to source and process lower grade material, which is not feasible to transport to our other facilities.
- To reduce the risk to the Ghana operation, we continue to evaluate our options for processing of artisanal tailings material, including the possibility of finding a partner in country, whilst continuing to seek permission from the Minerals Commission to restart in some form the processing and/or tolling of tailings material.

Discontinued operations

Kilimapesa Gold (Pty) Limited – Kenya ('KPG')

The sale of KPG was completed during April 2021 to Mayflower Gold Investments Limited ('Mayflower').

The initial consideration receivable by Gold Mineral Resources Ltd ("GMR"), Goldplat's subsidiary, was in the form of a secured debenture of USD1,500,000, to be satisfied by cash and/or the issue of shares to that value in Papillon Holdings plc ('Papillon') payable on Papillon's re-admission to trading on the LSE following completion of the RTO, with 30% (USD450,000) of the initial consideration payable in cash.

Subsequent to period end, on 31 August 2021, Papillon Holdings plc, renamed as Caracal Gold plc ("Caracal"), had its ordinary shares commence trading on the Main Market for listed securities of the London Stock Exchange plc ('LSE') under the ticker GCAT with a contemporaneous dual listing on the Frankfurt Stock Exchange, which followed the completion of the reverse takeover of Mayflower Gold. GMR received 103,846,153 shares (which represented 7.17% of its issued share capital) in Caracal on 31 August 2021, which represented 70% of the initial consideration of the sale of KPG to Mayflower. On 3 November 2021, the Company agreed with Caracal to take up the remainder of the initial share consideration on the sale of Kilimapesa at the initial listing price of Caracal and as a result, received a further 32 878 000 shares in lieu of a cash payment of US$450,000, increasing the Group's shareholding in Caracal to 9.2% at the time.

GMR is entitled to receive a further 1% net smelter royalty on all production from Kilimapesa up to a maximum of $1,500,000, on any future production from Kilimapesa.

During the period the Company has incurred or written-off money outstanding from Kilimapesa to the value of GBP186,000 which has been included under loss from discontinued operations.

Anumso Gold Project – Ghana ('AG')

The gold mining license under the Anumso Gold ('AG') project expired during March 2021 and has not been renewed as was the intention of the Company and the joint venture partner, Desert Gold Ventures Inc. The investment in AG was disclosed as a discontinued operations during the prior year. During the period we have been informed that mineral right fees since 2013 is outstanding, which is being disputed. None of the joint venture partners has intends to capitalise AG project to settle the claim and current AG liabilities exceed its assets by the minerals right fees outstanding. The Company share of outstanding minerals right fees is GBP369,000 and this has been included under loss from discontinued operations.

Additional financial review

The major functional currencies for the Group subsidiaries are South African Rand (ZAR) and Ghana Cedi (GHS) whilst the presentation currency of the group is Pounds Sterling (GBP).

The average exchange rates for the year are used to convert the Statement of Profit or Loss and Other Comprehensive Income for each subsidiary to Sterling. As set out in the table below, there it can be seen that the average ZAR and GHS weakened against the Pound Sterling, 3.49% and 10.73% respectively.

The exchange rate as at end of the period are used to convert the balance in the statement of Financial Position. As per below table, it can be seen that the ZAR strengthened by 7.39% and the GHS weakened 13.67% against the Pound Sterling.

		2021 GBP	2020 GBP	Variance %
South African Rand (ZAR)	Average	20.73	20.03	-3.49%
Ghanaian Cedi (GHS)	Average	7.84	7.08	-10.73%
South African Rand (ZAR)	As at 30 June 2021	19.80	21.38	7.39%
Ghanaian Cedi (GHS)	As at 30 June 2021	8.15	7.17	-13.67%

Apart from the gold price the Group's performance is impacted by the fluctuation of its functional currencies against the USD in which a majority of its sales are recognised. The average exchange rates for the year used in the conversion of operating currencies against the USD during the period under review are set out in the table below

	2021 USD	2020 USD	Variance %
South African Rand (ZAR)	15.42	15.91	-3.08%
Ghanaian Cedi (GHS)	5.82	5.61	3.74%

The 27% increase in the personnel expenses to GBP4,396,000 (2020 - GBP3,446,000) during the period, was mainly as a result of the increase of production personnel in South Africa from 249 to 292. These increases were as a result of additional plant constructed and to be operated and also to manage Covid-19 protocols.

The net finance loss/income for the period can be broken into

Interest component	2021 '000	2020 '000
Interest receivable	–	174
Interest payable on lease liabilities	(21)	(10)
Interest payable on borrowings	(110)	(124)
Interest on creditors	(219)	(270)
Interest on bank overdraft	(16)	(6)
Intercompany foreign exchange (expense)/profit	(513)	971
Other foreign exchange expense	(30)	(404)
Net finance (loss)/Income	(909)	331

The net finance loss of GBP909,000 (2020 - Income GBP331,000) includes a foreign exchange loss of GBP543,000 (2020 - gain GBP567,000). The large fluctuation in foreign exchange loss and gain from period to period, relate mainly to the intercompany loan between Group subsidiaries and GPL, which is dominated in USD. With the ZAR strengthening against the USD during the current period by 17%, a foreign exchange loss of GBP882,000 (2020 - gain GBP913,000) was recognized in GPL. The pound Sterling only weakened by 12% against the USD during the current period resulting in an foreign exchange profit in GMR on conversion of the intercompany loans & receivables of GBP357,000 (2020 - loss of GBP133,000).

The net impact of intercompany balance movement in Group was foreign exchange loss of GBP513,000, against a gain during the previous period of GBP971,000.

The intention of the Group is to reduce intercompany loan balance during the period to reduce the impact of the significant fluctuation between reporting currencies and the currencies loans are denominated in.

During the period the interest payable on borrowings reduced from GBP124,000 to GBP110,000 as a result of repayment of most of the debt during the fourth quarter of the financial year. We have also managed to reduce the interest on creditors through utilisation of our own cash balances during the period, from GBP270,000 to GBP219,000. The increase in interest on lease liabilities, GBP21,000 (2020 - GBP10,000) is as a result in additional machinery procured on this basis in GPL during the period and detail in this regard is disclosed in note 18.

Taxation

As a result of the decrease in the taxable profits and the increase in capital expenditure incurred during the period in GPL, together with the reduction in dividends declared from GPL during the period, the taxation expenses in the Group decreased by 62%. GPL is taxed under a mining tax formula in South Africa, which results in a lower percentage of tax when profits are lower and capital expenditure higher. During the period, GPL was taxed at a percentage of 23.48% (2020 - 28.98%) and recorded a tax expense of GBP435,000 (2020 - GBP712,000) with no tax losses to offset.

GRG is registered as a Free Zone company in Ghana and is currently taxed at the rate of 15% of taxable profits.

Operations and Finance Report Continued

Withholding taxation paid during the period on dividends declared from South Africa, was GBP80,307 (2020 - GBP226,000). The Withholding Taxation Rate changed from 20% to 5% during the period as a result of the shareholding of GPL changing from GMR registered in Guernsey to Goldplat Plc (the Company). The withholding tax is not recoverable by the Group.

Other comprehensive income

During the period the Company experienced a gain in foreign exchange translation reserve of GBP966,000 (2020 - Loss of GBP1,394,000). Similar to the prior year, the movement in the reserve was mainly impacted by the fluctuation in the ZAR and Pound Sterling exchange rate between reporting date. Year-on-year the ZAR strengthened by 7.5% against the pound sterling (after depreciating 19% during the previous period), resulting in a foreign exchange gain on translation of GPL of GBP984,000 (2020 - Loss of GBP1,882,000).

Property, plant & equipment

The increase in property plant and equipment of GBP1,132,000 during the period was due primarily to:

- The GBP428,000 incurred on the pre-construction of the adjoining tailings facility, together with the GBP78,000 incurred on the monitoring and extension of current tailings facility in GPL;
- The GBP94,000 incurred on the jig to increase our ability to process high carbon, lower grade material;
- The GBP153,000 increase in the environmental asset is as a result of the increase in the environmental provision during the period reflecting the increase in future cost of rehabilitation of operations in South Africa. Refer to note 16 for more detail.

No capital expenditure was incurred during the period in GRG.

Intangible Assets

The intangible assets relate to the goodwill in the investment held in GMR. The balance has been assessed for impairment by establishing the recoverable amount through a value-in-use calculation, the detail of which has been disclosed in note 5.

Right-of-use asset

The right-of-use assets increased during the period by GBP218,000, mainly due to the acquisition of heavy-duty vehicles operating at the GPL plant.

The remainder of the changes relate to amortisation for the year and foreign exchange movements as indicated in note 18.

Loan receivable

The GMR loan receivable from the South African minority shareholders on the acquisition of shares are denominated in ZAR. The reduction during the loan period of GBP25,000 relates to the repayment of GBP74,000 from dividends declared by GPL to GMR. The remainder of the movement related to the strengthening of the ZAR against the Pound Sterling by 7.4%.

Subsequent to the end of the period, the outstanding balance was set off in full as part of the share repurchase agreement between GPL and its minorities to repurchase a portion of the minorities share.

Investment in Joint Venture

The gold mining license under the Anumso Gold ('AG') project expired during March 2021 and has not been renewed as was the intention of the Company and the joint venture partner, Desert Gold Ventures Inc. The investment in AG was disclosed as a discontinued operations during the prior year. During the period we have been informed that mineral right fees since 2013 is outstanding, which is being disputed. None of the joint venture partners intends to capitalise AG project to settle the claim and current AG liabilities exceed its assets by the minerals right fees outstanding. The Company share of outstanding minerals right fees is GBP369,000 and have been included under loss from discontinued operations.

Inventories

The increase of GBP2,001,000 in the inventory balance, relates mainly to an increase of GBP1,770,000 in inventory at GPL.

The increase in GPL inventory balance related to:

- A GBP1,284,000 increase in raw material purchased for the Carbon-In-Leach ('CIL') circuits, which constituted a 65% increase from the prior period, however the dry tonnage of resources on site only increased by 21%. With the improvements at the pre-treatment facility and the separation of carbonaceous material before the mill, the amount of material processed increased by between 20% to 25% on a monthly basis. The increase in raw material is driven by an increase in transport costs, high-grade material purchases and the increase in cost of raw material due to the increase in gold price over the last 18 months.
- A GBP447,000 increase in precious metals on hand, mainly due to a GBP310,000 increase in gravity concentrates generated in our milling circuits. This is due to higher percentage of gold recovered through our gravity processing units at the time and this gravity material not sold before the end of the year;

The remainder of the increase relates to an increase in precious metals on hand and in process at GRG driven by increase in supply during the year.

Trade and other receivables

The increase of GBP8,527,000 in the trade and other receivable balance, has been primarily as a result of:

GPL

- GBP1,774,000 increase in concentrates at smelters which was driven by increase in percentage of gravity concentrates generated in GPL circuits and processing of build-up supply of low-grade material on our premises during the last quarter.

GRG

- GBP5,673,000 increase in concentrates at smelters which was driven by high grade batches of material received from suppliers during the 3rd and 4th quarter of the year.

Provisions

In terms of section 54 of the regulations of the Minerals Resource and Petroleum Act of 2002, in South Africa, a Quantum of Financial Provisioning is required for activities performed under mining lease. The Quantum was reassessed the during the current period and increased by GBP204,000. The remainder of the movement of GBP238,000 during the period related to the strengthening of the ZAR against the Pound Sterling by 7.4%.

Deferred tax liabilities

The decrease in the deferred tax liability was as a result of the unrealised foreign exchange loss raised on the GMR intercompany loan with GPL, as a result of the strengthening of the ZAR against the USD during the period. The unrealised loss will only attract tax when it is realised, however the deferred tax liability has been adjusted during the current period. Further to this, the deferred tax liability increases as a result of GBP1,391,000 capital expenditure incurred on the property, plant and equipment and right-for-use assets acquired in GPL during the period, which was amortized fully for tax purposes, although limited depreciation was levied during the prior period on these assets.

Interest bearing borrowings

During the period the Group reduced the interest-bearing borrowings from Scipion by GBP970,000, from GBP1,004,000 to GBP33,000. The remaining balance was settled in full subsequent to year-end and the facility has been cancelled. During the period the borrowings attracted interest of GBP110,000 (2020 - GBP124,000).

Trade and other payables

The increase in trade payables of GBP7,980,000 during the period is linked to the increase in debtors, specifically material delivered at smelters and inventory, specifically material shipped and not yet delivered at smelters, on which funding has been received to enable us to settle suppliers.

As indicated under trade and other payables, the increase linked to high value gravity concentrates produced in the last quarter and high value batches received from suppliers. The funding received is recorded under invoice financing creditor and increased by GBP5,522,000 to GBP6,910,000 during the period.

Contingencies

The Ghana Revenue Authority (GRA) has conducted an audit on the company for the years 2014 to 2018 and is provisionally claiming a remaining GHS5,670,303.99 (GBP723,253) as a result of their review. We have objected this preliminary assessment and have resolved a number of issues but have not been able to get closure on the matter neither have we received a final assessment. We have been engaging with the GRA through our auditor and other legal/tax advisers. At the time of this report we are satisfied that we have accounted for and accrued all taxation liabilities for which the company is liable.

Outlook

As per the outlook of the previous financial period, the focus during the period has been, and will continue to be, on:

- finding structures best to return value to shareholders from continued profitability;
- investing into research and development to identify different processing methods and equipment to maximize value from sources available;
- expanding our environmental services delivery to industry; and
- identifying opportunities for growth in the recovery operations by investment into other locations and into additional equipment in our current operation, as well as enhancing operational efficiencies. This should enable the processing of lower grade material at current operations and at different locations closer to the source. Further to the above, we will continue to leverage on relationship in industry to increase long-term visibility through increase of resources and available sources we can process.

The recovery operations have nearly always been cashflow generative and subsequent to the period end we have utilized some of this cashflow to increase the Company's shareholding in GPL and the size of the Group. The Company will remain focused on sharing future cashflows with shareholders, specifically distributing cash surplus to the Group's operational requirements and growth plans to shareholders.

During the 2021 financial period the South African operations will need to complete its investment into a new tailings facility at cost of GBP300,000 and we expect to finance this from operational cash flow.

The focus for Ghana remains on sourcing material from West Africa, South America and the other regions, whilst re-positioning GRG to process lower grade material sourced from within Ghana. In line with this, the Group will establish a site in Brazil to enable it to source and process lower grade material in South America.

The South African operations will continue to serve the South African gold industry and will focus on sustaining profitability from old mining clean-ups and as part of its diversification strategy will invest GBP250,000 of capital into processing PGM's during the period. We will look towards reaching an agreement during the period with a third party in the area to reprocess TSF (which has a JORC Compliant Resource of 81,959 ounces) and receiving environmental approval for a pipeline which will be required to transport material to a facility for processing.

Goldplat recognises the cyclical nature of the recovery operations as well as the risks inherent in relying on short-term contracts for the supply of materials for processing, particularly in South Africa where the gold industry is in slow longer term decline.

These risks can be mitigated by improving our operational capacities and efficiencies to enable us to treat a wider range of lower grade materials and leveraging on our strategic partnerships in industry to increase security of supply. We will continue to see materials in wider geographic areas. We shall also keep looking beyond our current recovery operations for further opportunities to apply our skillsets and resources.

Conclusion

Goldplat's business has always involved change and opportunity, I would like to compliment Goldplat's employees, its advisors, my fellow directors and the Company's shareholders not just for their efforts and support, but for how they have embraced the changes and remained focused on the opportunity it brings. The board is looking forward to building on this year's successes, creating opportunity from the ever-changing environment and returning value to shareholders.

Werner Klingenberg
Director
21 December 2021

The Board

MATTHEW SEYMOUR ROBINSON

Independent Non-Executive Chairman (Appointed in 2016)

Matthew has spent much of his career in the growth company arena, with 20 years' experience in mining and resources. He spent 15 years to 2015 as a Corporate Finance Director at growth-company corporate brokers finnCap and Panmure Gordon/Durlacher. During this time, he was responsible for establishing both finnCap and Panmure Gordon's mining and resources investment businesses, in addition to his role as adviser to AIM and Official Listed companies on the London Stock Exchange.

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 which time Matthew managed its merger with European competitor Boxman.com

WERNER KLINGENBERG

Chief Executive Officer (Appointed in 2017)

Werner joined Goldplat in 2015 as Group Financial Manager. Within this role he was integral in managing Goldplat's financial and operational affairs. With his knowledge and understanding of the Group's operations, he was appointed to the role of Group Finance Director in 2017. Following a period as interim CEO, Werner was appointed Group CEO on a permanent basis in September 2019. 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, initially working within the telecommunications and retail industries. His extensive knowledge spans audit and financial management and systems.

NIGEL PATRICK GORDON WYATT

Independent Non-Executive Director (Appointed in 2013 and to resign as at the end of December 2021)

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 which was 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 Kumba Iron Ore Limited and 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.

GERARD KISBEY-GREEN

Non-Executive Director (Appointed in 2020)

Gerard has built an expansive career in the mining and related financial industry, spanning over 30 years. After graduating as a Mining Engineer in South Africa in 1987, he gained extensive experience working in various management positions for a number of the larger South African mining companies, including Rand Mines Group and the gold division of Anglo American Corporation. During this time, he worked on gold, platinum and coal mines primarily in South Africa and also in Germany and Australia. Gerard subsequently spent 17 years in the financial markets, including five years as a mining equity analyst and 12 years in mining corporate finance. He has worked in South Africa and the UK for banks including JP Morgan Chase, 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, a position from which he resigned in 2019. He joined Goldplat Plc again as a non-executive Director in May 2020.

MARTIN OOI

Non-Executive Director (Appointed in 2021)

A qualified medical doctor, Martin is an experienced entrepreneur and investor. He is the founder and Managing Director of the Serkona Group of private limited companies based in Australia with interests in multiple medical centres, commercial properties, and other unlisted assets. As a director of Goldplat PLC, he intends to focus on capital allocation decisions and helping to maximise the per-share intrinsic value of the company. Martin holds / previously held in the last five years directorships in Daws Road Medical (Pty) Ltd, Ooi and Family Custodian (Pty) Ltd, Ooi and Khoo Family One (Pty) Ltd, Ooi and Khoo Family Pty Ltd, Ooi Family Investments Pty Ltd, Prema House Medical Centre Management Group Pty Ltd, Prema House Properties Pty Ltd, Serkona Investments One Pty Ltd, Serkona Investments Pty Ltd, Serkona Medical One Pty Ltd, Serkona Medical Pty Ltd, and Serkona Properties Pty Ltd.

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 30 June 2021 and the operations report.

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

Results

The Group reports a pre-tax profit from continued operations of GBP3,652,000 (2020 - GBP5,666,000) and an after-tax profit of GBP2,749,000 (2020 - GBP3,305,000).

Major events after the reporting date

As announced on 20 July 2021 and noted in the Operational and Financial Report above, Goldplat Recovery Proprietary Limited bought back a portion of the shares previously held by the minority shareholders. This share buy-back resulted in the company's shareholding in Goldplat Recovery Proprietary Limited increasing from 74% to 90.6%.

Dividends

No dividend is proposed in respect of the year ended 30 June 2021 (2020 - GBPnil per share).

Political donations

There were no political donations during the year (2020 - GBPNil).

Corporate governance

Chairman's Corporate Governance Statement

Goldplat adopted the QCA Corporate Governance Code as its recognised corporate governance code (pursuant to the requirements of the AIM rules) and this statement, and other disclosures throughout these financial statements, are presented pursuant to that Code. The application to Goldplat's corporate governance of the ten principles of the QCA Code are further set out on Goldplat's website, www.goldplat.com, under Corporate Governance, as envisaged in the QCA Code.

It is the Chairman's responsibility to establish and monitor effective corporate governance. Each member of the Board believes in the value and importance of good governance practices in promoting the longer term development of the group. The Board considers that it does not depart from any of the principles of the QCA Code and recognises that monitoring and developing its governance structure is a continuous process. We actively take account of the views of our shareholders and professional advisers in considering our practices.

Risk management

The Company's business model is set out in this Annual Report in the Operational and Financial Review, whilst the Strategic Report sets out the strategy and the principal risks and uncertainties, together with the steps taken to promote the success of the Company for the benefit of members as a whole.

On a regular basis, at least quarterly, the Board reviews progress both in terms of delivery of key strategic initiatives and the financial performance of the operating entities. In this, the Board actively seeks to identify and mitigate risks to the group and its businesses.

Set out in the Annual Report under The Board are biographies of each director including their experience relevant to their responsibilities at Goldplat, whether they are considered to be independent and their length of service as directors of the Company, and set out in the Directors Report is the number of meetings of the Board and the attendance record. Additionally, the activities of the board committees are reviewed below.

Each director is expected to keep their skillsets up-to-date and relevant to Goldplat through continual development, both within Goldplat and from other business interests, as well as through membership of relevant professional bodies.

No external assessment of board performance was undertaken during the year, however the views of shareholders are taken into account. On 13 October 2021 Martin Ooi was appointed a non-executive director. Martin Ooi has 28% shareholding in the company. On 1 May 2021 the Board appointed a separate CFO at operating company level.

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 Messrs. Matthew Robinson, Chairman, and Sango Ntsaluba. Matthew is a Chartered Accountant (UK) and Sango is a Chartered Accountant (SA). Mr Ntsaluba replaced Ian Visagie who ceased to be a director in December 2020. The committee's terms of reference are available on the website.

The Audit Committee met twice during the year to 30 June 2021 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 in relation to matters arising from the audit which have been raised by the auditors. The audit committee did not undertake a separate review of risk identification and risk management across the group as these matters (including the separation of executive responsibilities) are considered by the whole board on a regular basis, at least quarterly.

The Group's auditors, BDO LLP, were appointed in 2019 and provide no other services to the Group. The two 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 two Audit Committee meetings held during the period were attended by both members.

- Remuneration Committee Report

The Remuneration Committee members are Matthew Robinson, Chairman, Nigel Wyatt and Martin Ooi. Mr Ooi was appointed in October 2021. The committee's terms of reference are available on the website. The committee met twice during the year. The Committee's recommendations are reported to the full board, but it does not prepare a written report. Any recommendations are subject to approval by the whole board.

In May 2021, following a review of market norms, the Remuneration Committee recommended that non-executive directors fees be set at GBP30,000 pa (to include all committee work) and GBP45,000 pa in respect of the chairman. The recommendations were adopted by the board with effect from June 2021. In October 2021, following a review of the CEO's remuneration arrangements, the Remuneration Committee recommended that the CEO be awarded an option to acquire one million shares at market value on terms reflecting previous awards to executive directors, such award to take effect when the company was not in a Close Period. The recommendation was adopted by the board in October 2021.

Goldplat seeks to retain and incentivise an effective executive management team capable of delivering on the Group's operational requirements as well as its strategic goals. To this end, it is the Group's policy to have clear and simple remuneration structure, in line with many companies on the AIM market of a comparable size. Under this, executive directors receive base salaries and may, on a discretionary basis, receive performance related pay as approved by the non-executive directors.

Additionally, as a longer term incentive, seeking to align the interests of executive directors over the medium term with those of shareholders, on a discretionary basis, executive directors may be granted 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.

The executives' 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 the UK and the executive directors' remuneration is referenced to their responsibilities as directors of a UK incorporated company traded on a public market in the UK. The Group has no operations or employees in the UK. The Group's operating entities are in South Africa and Ghana, with each having significantly different remuneration references than the UK, where it employs over three hundred locally based employees. 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 as an assessment of the pay of the highest paid director.

As announced on 30 March 2021, Hansie van Vreden, previously the COO of the Goldplat Plc, resigned from the Group and served notice until the 31 May 2021. In line with the Group's management structure and the decision to dispose of the interest in Kilimapesa operations, the company had no plans of filling the COO position. A non-main board financial director joined the company on 1 May 2021. At the Annual General Meeting held on 31 December 2020, Ian Visagie, who was retiring by rotation, was not re-elected and consequently ceased to be a director.

Executive director's employment contracts provide for six months' notice of termination on either side. Existing option entitlements are set out in note 30 of the Report and Accounts.

Director's performance

Board

The responsibilities of the Chairman include providing leadership to the Board, ensuring its effectiveness in all aspects of its role and setting its agenda; ensuring that adequate time is available for discussion of all agenda items; ensuring that the Directors receive accurate, timely and clear information; ensuring effective communication with shareholders; promoting a culture of openness and debate by facilitating the effective contribution of the Board of Non-Executive directors in particular; and ensuring constructive relationships between the Executive and Non-executive Directors.

The Company provides independent professional and legal advice to all Directors where necessary, to ensure they are able to discharge their duties. In addition, all Board members have access to the services of the Company Secretary, who is responsible for ensuring all Board procedures are complied with.

All executive directors are appointed on a full-time basis and are actively involved in the running of the business. Non-executive directors are required to attend a board meetings quarterly, as a minimum and have made themselves available to support the executive directors. Nigel Wyatt has advised the company that he will step down as a director at the time of the forthcoming AGM.

Directors' 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:

M S Robinson (Non-Executive Chairman)

W Klingenberg (Chief Executive Officer)

I Visagie (Executive Director – ceased in December 2020)

J H van Vreden (Chief Operating Officer – resigned in March 2021)

N G Wyatt (Non-Executive Director – resign as at the end of December 2021)

S S Ntsaluba (Non-Executive Director)

G Kisbey-Green (Non-Executive Director

M Ooi (Non-Executive Director – appointed in October 2021)

During the year 7 board meetings were held. All the board meetings were attended by all board members.

Directors' Report Continued

Directors' interests

The beneficial interests of the Directors holding office on 30 June 2021 in the issued share capital of the Company were as follows:

	30-Jun-21		30-Jun-20	
	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	400,000	0.24%	300,000	0.18%
N G Wyatt	230,950	0.14%	30,950	0.02%
S S Ntsaluba	425,000	0.25%	0	0
W Klingenberg	150 000	0.09%	0	0
G Kisbey-Green	2,666,667	1.55%	1,333,333	0.79%

No other Director had a beneficial interest in the share capital of the Company. On 13 October 2021, Mr. Martin Ooi was appointed to the board and holds a beneficial interest as noted below:

	As at reporting date	
	Number of ordinary shares of 1p each	Percentage of issued share capital
M Ooi	48,403,801	28.12%

Directors' remuneration and service contracts

Details of directors' emoluments are disclosed in note 22 to these financial statements.

2021

GBP'000	Salaries GBP'000	Fees GBP'000	Share-based payments GBP'000	Total GBP'000
M S Robinson	–	36	–	36
W Klingenberg	168	–	–	168
I Visagie	134	–	–	134
J H Van Vreden	114	–	–	114
G Kisbey-Green	–	21	–	21
N G Wyatt	–	25	–	25
S Ntsaluba	–	21	–	21
	416	103	–	519

Management fees of GBP13,000 (FY 2020: GBP18,000) were paid during the reporting period by GPL to its minority shareholders, in which S Ntsaluba has an ultimate shareholding.

2020

GBP'000	Salaries GBP'000	Fees GBP'000	Total GBP'000
M S Robinson	–	35	35
W Klingenberg	164	–	164
I Visagie	134	–	134
J H Van Vreden	117	–	117
G Kisbey-Green	–	3	3
N G Wyatt	–	25	25
S Ntsaluba	–	20	20
	415	83	498

Directors' options

A director of the company exercised his options subsequent to year end, which were due to lapse in June 2021 as disclosed in the share options note (Note 14) and the announcement of 6 August 2021.

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

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

During the period the Group we maintained all our suppliers in South Africa and Ghana for by-product material and also increased our footprint in South American market. Further progress has been made in securing additional contracts in West Africa. With the secured supplier base and more than 12 months of surface sources on site or on contract, management believes that it will be in a position to operate sustainably for the foreseeable future.

A reverse stress test indicated that the business, alongside certain mitigating actions which are fully in control of the Directors, would be capable of withstanding approximately a reduction in gross margin of 80% in continued operations. Subsequent to year-end, GPL did enter into a South African Rand denominated bank facility of ZAR 60 million, provided by Nedbank and have drawn ZAR 60 million. As part of assessing the ability of the Group to continue as a going concern, management assessed GPL ability under a reverse stress scenario, to continue to meet all relevant covenants included in the facility over the foreseeable future. Per this, GPL, without assistance from the Group, will need to maintain gross margins of more than 50% of current levels to be in a position to meet all covenants.

The loss of production due to the inability to operate will have a lower impact on gross margin in the short-term as most costs associated with production are variable and should also reduce. In light of current trading and revised forecasts, the Directors have assessed the possible downturn in operating margin and concluded the likelihood of such a reduction to be remote, such that it does not impact the basis of preparation of the financial statements and concluded there is no material uncertainty in this regard.

In reaching this conclusion, the Group also assessed the impact the current Covid-19 pandemic might have on the business. Although operations were required to shut down during the 2020 financial year, the mining industry's classification as an essential service provider has meant that the company continues to operate with limited negative impact on its operations.

This ensured that we are able to source material from our mining suppliers, deliver it to our premises and process it. The essential services classification meant that we are also able to export and sell the products we produce. The Covid-19 pandemic however brought on new challenges to operating our facilities in South Africa and Ghana in a safe way for all our employees and local communities. With the assistance of relevant regulatory authorities, the Directors believe sufficient procedures have been implemented to assist in safeguarding our employees and local communities.

The going concern period reviewed by the directors was the 24 month period to December 2023.

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.

Financial instruments risk

Details of risks associated with the Group's financial instruments are given in Note 33 to the financial statements. The Company does not utilise any complex financial instruments.

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 applied in accordance with the Companies Act 2006. 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 applied in accordance with the Companies Act 2006; 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.

Directors' Report Continued

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

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

Statement of disclosure to auditor

So far as the Directors are aware:

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

Auditor

BDO LLP was reappointed as auditors at annual general meeting on 31 December 2020. BDO LLP has indicated its willingness to continue in office and a resolution will be proposed at the annual general meeting to reappoint BDO LLP as auditor for the next financial year.

On behalf of the board

Werner Klingenberg
Director
21 December 2021

Strategic Report

The directors present their Strategic Report for the year ended 30 June 2021.

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 objective is to produce gold from the recovery of by-products discarded by the primary producers and have made the strategic decision to and has disinvested from its mining and exploration properties. Strategically we shall continue to look beyond our current recovery operations for further opportunities to apply our skillsets and resources.

The aim for the 2021/22 year will be to start to return value to the shareholders by creating sustainable cashflow and profitability through: growing its customer base in South Africa, West Africa and further afield; increasing its ability to process lower grade contaminated material through investing into and improving processing methods; forming strategic partnerships in industry; diversifying into processing of PGM contaminated material; finding a final deposition site for, and optimizing the processing of, the TSF material; and realising the proceeds from the sale of KPG.

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. The group sources material to process not only in the African continent, but also from gold producing countries outside Africa.

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 the Group's operating subsidiary in Ghana is provided from Benoni. This business is 91% owned by the Group, in compliance with South African Black Economic Empowerment legislation.

The Group's Ghana operation based in the Freeport of Tema continues to develop as a processing hub to service gold producing clients internationally and fully utilise the advantages of the low tax rates in the country's Freezone.

Review of business and financial performance

Information on the operations and financial position including our analysis of our key performance indicators of the Group is set out in the Operations and Finance Report, Chairman's Statement and the annexed financial statements.

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:

Supplier Risk

Due to the small number of mining groups operating the larger mines in the jurisdictions of the Group's operations, and the Group contracting with the mining groups and not the mines directly, the number of suppliers it has contracts with is limited. The number of suppliers per product type and segment is listed below

Segment Operations	Product Type	Number of major Suppliers
South Africa Recovery	Low-grade surface sources	5
South Africa Recovery	Woodchips	6
South Africa Recovery	By-products	5
West African Recovery	By-products	6

A major supplier is a supplier that supplied a material amount of raw material to the operations during the last financial period. The number of major suppliers for the West African Recovery segment includes clients from South America and other geographical areas. The loss of one supplier can potentially have a significant impact on production, turnover and margin of the business.

The Group aim to mitigate these risks by its flexibility in the types of material it processes and building of strategic partnerships in the industry and employing a sourcing team managing relationship and seeking new clients. It has also been in the forefront of producing "Responsible Gold" which gives it a competitive advantage over its competitors.

Purchasing

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 purchasing risk is magnified by the short terms of contracts for the supply of material.

The Group aim to mitigate these risks 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.

Albeit these efforts, the volume and quality of feed material will differ from month to month resulting in fluctuating margins.

Strategic Report Continued

Risk in regards to variability in mixture of raw material

Mining companies supply various types of by-products, that differ in type, quality, grade and volume month to month. The quantity of precious metals contained in various types of material and variability in the amount that can be extracted can result in fluctuations from month to month in margins achieved.

The recovery operations are staffed with management with adequate knowledge and experience to evaluate raw materials and plan production to limit the fluctuations. The variety of products processed and materials received from different clients partially limits these fluctuations.

Ad-hoc contracts or supply from clients can have significant impact on quarterly production numbers.

Raw Material and Processing Technical risk

Notwithstanding the completion of metallurgical test-work, statistical analysis and pilot studies indicating the results from processing, the actual recovery from material through a plant might vary from the indicated results and the quantity of precious metals recovered or the cost to recover might differ from what was originally indicated.

The recovery operations are staffed with management with adequate knowledge and experience to evaluate raw material before procurement of material and to manage the parameters in the plant to ensure optimum recovery of precious metals during processing.

Albeit these efforts, the return from various raw material fed into the plant will differ month to month resulting in fluctuating margins.

Price risk

The gold and precious metals produced by the Group are sold at world spot prices which may fluctuate substantially and which are not directly related to the cost of production. The Group mitigate this risk for by-product material through having contracts where the value paid to the supplier is linked to the price received for precious metal concentrates sold. The Group further seeks to mitigate this risk in part by adjusting the price it pays for future materials for processing but its margins remain sensitive to the changes in the gold price, specifically on low grade material where the cost of processing is a significant part of the cost of production.

The Group sensitivity to fluctuating prices has been further defined under Market Risk in note 33 of the financial statements.

Environmental risk

Due to the nature of Goldplat Operation and its potential impact on the Environment it needs to ensure that its days-to-days operation comply with current regulations, does not adversely impact on the Environment and what is increasingly expected from all stakeholders. The Company mitigate the risk through using external environmental consultants and specialist to monitor and assess its impact on the environment and design methods to limit these going forward. The Company is currently embarking on a process to analyse, quantify and report on our environmental impact and if and where required with refine our operations, in a manner which we believe investors will increasingly expect. Please refer to the directors report for further details with regards to this.

Security (Theft) Risk

The Company recovery high value precious metals with high liquidity in formal and informal markets. This increases the risk of financial lost due to theft. The risk is managed through limiting the time from production and sale of material, specifically higher-grade, and higher value items. The items are also secured in higher security areas requiring more than one person to access. The value of material on site and transported is also secured with reputable insurance providers.

Financing and Liquidity risk

The Company may need to finance expansion through the equity and debt markets in futures 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. To manage the daily working capital requirements in the Group, subsidiaries make use of the US$ 2,000,000, revolving credit financing with Scipion and the financing of material on route and at smelters for final processing to enable us to settle suppliers of material earlier.

Outstanding balances on this facility was paid in full subsequent to year end and this facility has been cancelled.

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 business 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 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 of 2010, and with implementation of the 2018 Charter certain changes will be required to maintain compliance, primarily in respect of: (i) the "top-up" requirement of mandatory Black Economic Empowerment shareholding which is currently set at 26%, but is to be increased to 30%, upon the renewal of the current mining license, and (ii) in the required make-up of management demographics.

The mining Industry, through the Minerals Council of South Africa, sought a judicial review of the Mining Charter published in 2018. The High Court ruled in September 2021 that the Mining Charter is not legally binding. The court also ruled that a company remains compliant irrespective of whether a BEE had disposed of its shareholding interest, thereby not meeting the 26% BEE shareholding.

This of importance for GPL as it bought back 22.33% of it BEE shareholding and have only issued 5.7% to another BEE partner, subsequent to year-end, 30 June 2021. These transactions result in a reduction in the Black Economic Empowerment ("BEE") ownership of GRL. However, none of GRL's current licenses to operate are impacted by these changes. The reduction in the BEE ownership will impact on GRL's ability to renew its mining right in South Africa when it comes up for renewal in May 2023. GRL however does not plan to renew this mining right as it does not have an identified minerals deposit and can continue its current operations under the Refining License which only expires on 1 November 2040. Nonetheless, the Group and GRL remain cognisant of South African government policy to advance economic transformation and enhance the economic participation of black people in South Africa and will continue to look at means to do so through ownership, management representation, development of employee skills, local enterprise development and participation in local socio-economic development. The implications of the new Charter on Goldplat Recovery and plans for implementation over the required period will be considered.

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. The risk is further mitigated by senior executives being closely involved in supplier and customer engagement as well as payments. The Group also limit cash payments as far as possible.

Financial Instruments

Details of risks associated with the Group's financial instruments are given in Note 33 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.

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.

Directors' section 172 statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CZA of The Companies Act 2006. This reporting requirement is made in accordance with the corporate governance requirements.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

In the above Strategic Report section of this Annual Report, the Company has set out the short to long term strategic priorities, and described the plans to support their achievement.

We have split our analysis into two distinct sections, the first to address Stakeholder engagement, which provides information on stakeholders, issues and methods of engagement, disclosed by stakeholder group. The second section addresses principal decisions made by the Board and focuses on how the regard for stakeholders influenced decision-making.

Section 1. Stakeholder mapping and engagement activities within the reporting period.

The Company continuously interacts with a variety of stakeholders, such as equity investors, the mining industries as suppliers of gold bearing material, vendor partners, debt providers, workforce, government bodies, local community and refiners of our products. The Company acknowledges the importance of all the stakeholders in the ultimate success of the Company and strives to maintain a high level of transparency in its processes, as it deals in high value materials, and a high degree of reliance is placed on these processes by the stakeholders. Engagement and communication are within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality and protecting commercially sensitive information.

Strategic Report Continued

Who: Key Stakeholder groups	Why: Why is it important to engage this group of stakeholders	How: how Goldplat Plc engaged with the stakeholder group	What: What came of the engagement
Equity Investors and significant Partners All substantial shareholders that own more than 3% of the Company's shares are listed on Goldplat Plc website. The Group's largest subsidiary in South Africa, Goldplat Recovery (Pty) Limited, has a non-Goldplat group shareholder holding of 26% of issued share capital. In South Africa, the Black Economic Empowerment legislation, specifically the 2010 Mining Charter, requires historically disadvantaged South Africans to have a minimum 26% and then up to 30% interest in all mining and exploration projects.	We are seeking to promote an investor base that is interested in a long term holding in the Company and will support the Company in achieving its strategic objectives including the raising of funds to support future growth as and when opportunities present themselves. Our South African partners have significant influence on the Group's flagship operation and it is therefore important to ensure that they are aligned with the Group strategy. Significant shareholders may affect and influence Group strategy as a result of their shareholding.	**Substantial Shareholders:** As announced on 14 May 2020 the appointment of Mr Gerard Kisbey-Green as a non-executive director followed engagement with a substantial shareholder of the Company. **Significant Partners:** The South African BEE partners are represented on the board of the Company, with a board seat by Mr. Sango Ntsaluba who also acts as Chairman of the South African Subsidiary. **Prospective and existing investors:** • Regular operational and project updates through Regulatory News Service ("RNS"). • The annual and Interim financial reports. • Roadshows and presentations. • Paid for external research by WH Ireland • As a result of the Covid pandemic the Directors plan to have more engagement with all role players via electronic means hosting question and answer sessions, doing online presentations via zoom, updating on twitter and so forth.	The substantial shareholder has increased his shareholding to 28.12% at the time of this report. The Group has divested from its mining segment, and will focus on stabilising and growth of its recovery business and the processing of the Tailings Storage Facility ("TSF") in South Africa. The divesting from mining should have a positive effect over the medium term on the financial results, and reduces the mining and exploration risks. Consequently, without mining diversification, the procurement and reserve risk as set out in the strategic report, increases. It is uncertain at this time how future growth will need to be supported by the shareholders. The CEO presented at a number of investor roadshows and one-to-one meetings. At the Company's AGM on 31 December 2020, all resolutions were duly passed.
Desert Gold Venture Inc. ("Desert Gold")	**Desert Gold** To discuss the joint strategy and management of Anumso exploration project.	**Desert Gold** Through meetings, as and when necessary with Dessert Gold management and appointed consultants.	**Desert Gold** The group indicated to Desert Gold our intention not to invest further into the project of the renewal of mining licence.

Who: Key Stakeholder groups	Why: Why is it important to engage this group of stakeholders	How: how Goldplat Plc engaged with the stakeholder group	What: What came of the engagement
Suppliers of Gold Bearing Material: These suppliers are substantially the primary producers from which we procure discarded precious metals, which is the main source of revenue with the only exception being our intention to re-process our own TSF in South Africa.	Without the support of these producers the Goldplat business model could not succeed and therefore can only succeed if it satisfies the needs of these suppliers. To achieve this, Goldplat has to earn the trust of the supplier, perform in a transparent and ethical manner and deliver an acceptable return.	Both parties are in the same industry and due to the commercial relationship between the parties, ongoing engagement is in place. Goldplat has a specific sourcing department, that together with management, maintain the relationship on a day to day basis. Communication is with the plant operations and management. Supplies are normally delivered based on a written contract which is renewed from time to time.	Every mining company has its own structures within which Goldplat has to operate. Historically we have mostly engaged with Metallurgical and Financial Management. During the past year the directors have adopted a strategy of engaging on the corporate level rather than on mine level envisaging a more standardised service to a Mining group rather than dealing with individual mines. This strategy so far has been relatively successful but the long term success will be dependent on how the different groups that supply the Company prefers to contract. During the year the group maintained all contracts in Ghana and in South Africa, with major supply contract to South Africa being renewed for 3 years. In Ghana we also entered into contracts with 2 new suppliers.
Debt providers The Company has a 12 month US$2 million debt facility with Scipion that commenced in July 2018. Subsequent to year end, this facility has been settled.	The facility is utilised mainly to provide additional working capital especially where the Company purchases larger batches of precious bearing material with a processing timeline in excess of 60 days. Our raw material suppliers prefer to be paid promptly and the debt facility allows Goldplat to essentially pay for the agreed content, or a portion thereof, before all the precious metal has been physically recovered.	• Regular meetings and updates with the debt provider's CEO and senior staff • Regular reporting updates on performance of the Group. • One-on-One meeting every time the Goldplat team visits London. Since Covid 19, this is now less desirable but same is achieved through meetings on electronic platforms	During the period majority of the funding was repaid from working capital generated from the support provided by Scipion. Subsequent to year end the funding was paid in full and facility has been cancelled as part of a loan agreement entered into with Nedbank to facilitate the repurchase of shares in South Africa. The Company continues its engagement with Scipion in regards with future supply of funding for its working capital requirements.

Strategic Report Continued

Who: Key Stakeholder groups	Why: Why is it important to engage this group of stakeholders	How: how Goldplat Plc engaged with the stakeholder group	What: What came of the engagement
Workforce: The Company has two UK based directors. The balance of the Company's directors and workforce are based at the operations in South Africa and Ghana. The Company also employs a Sourcing Manager based in Brazil who interacts with the suppliers in South America.	The Group employs approximately 330 employees for the recovery operations in South Africa and Ghana and approximately 85 employees in Kenya. All these countries have low levels of employment and our employees value the job creation and the financial benefits of our activities. The Company understands that our employees has gained specific skills which is vital to sustain our unique recovery businesses The Company's long-term success is dependent on the continued support of our workforce. The Company also recognises that substantial risk is associated with its senior management teams and directors whose contributions and knowledge of the business is paramount to its success and longevity.	The Company maintains an open line of communication between its employees, senior management and Board of Directors. Every subsidiary in the Group has a worker's forum which meets at least once a month with senior management and directors. These forums are open and can be attended by anyone who has been appointed by the workers. Operational, financial, safety and any relevant topic is discussed freely. During weekly management meetings which is attended by production staff on a rotating basis feedback is given on the state of finances, production issues etc. Most employees are incentivised and from that point of view their objectives are aligned with those of the Company.	The Company's recovery operations successfully re-negotiated all salary and incentive packages effective 1 May 2021. Directors salaries were adjusted by the remuneration committee. Staff turnover throughout the Group is low.

Who: Key Stakeholder groups	Why: Why is it important to engage this group of stakeholders	How: how Goldplat Plc engaged with the stakeholder group	What: What came of the engagement
Governmental bodies: The Company is impacted by local governmental organisations in the UK, South Africa and Ghana.	Goldplat operates in a number of jurisdictions, principally South Africa and Ghana, in a highly regulated environment. Regulation encompasses, *inter alia*, licensing to process precious metals, royalty agreements, the environment, safety and health of employees and contractors, ownership of operations and community development and participation. Goldplat acknowledges that success will be dependent on the Company's interaction with Governments, the workforce and the community in addition to the interest of other stakeholders as described in this document. Additionally, Goldplat seeks to meet the Government's aspirations of the countries within which it operates in terms of maximising the local value-add of its operations and employing and training workforce. The interaction with stakeholders directly influences supply sourcing as well as employment aspirations all of which is closely monitored by Government institutions.	Each operation has a local board with local representation which interacts with the respective Governments. Mostly the interaction is by way of formal reporting on: • Production and Financial results • Safety Reports and Statistics • Environmental updates and compliance reporting. • Scorecards on procurement, shareholding, women in mining and community involvement and local development programs. The operations receive regular visits from Government Inspectors in respect of Health and Safety, Machinery, Labour, Taxation amongst others., Additionally, advisers are retained in each jurisdiction, including legal and auditing. Goldplat's executive management seeks to maintain regular and open dialogue with all regulatory authorities and, as appropriate, local community representatives.	All the Group's licences, authorities, permissions have been issued and granted. The Group is engaging with the South African regulatory authorities whilst seeking permission to establish a new tailings facility which is critical for sustainable operations. The applications have been submitted and the approval process is expected to be complete by the first quarter of 2022.

Strategic Report Continued

Who: Key Stakeholder groups	Why: Why is it important to engage this group of stakeholders	How: how Goldplat Plc engaged with the stakeholder group	What: What came of the engagement
Community: The local community in South Africa and Ghana.	The community provides social licence to operate no matter the location.	In South Africa, the community issues are regulated by the Government as part of the South African subsidiaries social and labour plan. The objective is that local communities must benefit from employment opportunities, local procurement and infrastructure initiatives. In Ghana, the community issues are less prominent as the recovery operation is located in the Heavy Industrial area of Tema. Nevertheless, the Government expects the Company to employ from the surrounding area, train its employees and a training levy is also paid to the Free Zone Board. In Kenya, the Kilimapesa Mine is in a rural area and the community involvement is intense. Employment is only from the local community, who also benefits from a royalty arrangement, rental agreements, local purchasing of goods and services and a menagerie of local and cultural contributions.	The Company has ongoing engagements with the local communities in which it operates. In South Africa, being dictated by government laws and charters, the Company is compliant. Our infrastructure project contributing GBP51,311 to build classrooms was successfully concluded in 2018 and we are currently planning investment of the same amount at a school in the community. We view the local community as a partner and maintaining a sustainable business in the long term is dependent on this good relationship.
Suppliers: All suppliers are important to our Group of companies many of which have had a long relationship with us.	Goldplat, being in the precious metals business, is a price taker and therefore cost control is of utmost importance especially due to the cyclical nature of the metals we sell. By building long term relationships with our suppliers, we improve our chances to survive the cycles.	Our procurement departments continuously interact with our suppliers and senior management and directors meet with critical suppliers at least once a year.	During the year under review, the South African operation negotiated a 3-year extension of it contract with its largest supplier.
Smelters and Refiners: Smelters and Refiners take delivery of Doré bars and concentrates for final refining.	Smelter and Refiners are important as it removes the burden of marketing gold and an efficient refiner ensures the Group can monetise its precious metal deliveries quickly and efficiently.	The Company has refining contracts with a number of refiners. Senior executives formally meet at least once a year but interact on a regular basis in normal course of business.	All contracts with Smelters and Refiners remain in good standing and relationships remain strong. This enables the Company to maintain low stock levels and improves critical cashflow to support earlier settlement to suppliers of material.

Principal decisions by the Board during the year under review:

We define principal decisions as both those that have long-term strategic impact and are material to the Group, but also those that are significant to our key stakeholder groups. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between members of the Company:

Disinvesting from Primary Mining and Exploration activities

In previous years, the Company's directors decided to put Kilimapesa gold mine in Kenya under care and maintenance and decided to divest and dispose of Kilimapesa gold mine. During the period, the Company's directors formalized a sales and net smelter royalty agreement inline with the binding term sheet signed during the previous period with Mayflower.

The board however decided to conclude the sales agreement before all condition's precedent were met on 26 April 2021 to enable Mayflower to provide the necessary strategic direction and funding required at the time. In order to enable early completion of the Transaction, the board agreed to waive the requirement that Papillon Holdings plc (LSE: PPHP) ("Papillon") completes its proposed reverse takeover of Mayflower Gold ('RTO') and re-admission to trading on the London Stock Exchange ("LSE").

The initial consideration receivable by Gold Mineral Resources Ltd ('GMR'), Goldplat's subsidiary, was in the form of a secured debenture of USD1,500,000, which needed to be satisfied by cash and/or the issue of shares to that value in Papillon payable on Papillon's re-admission to trading on the LSE following completion of the RTO, with 30% (USD450,000) of the initial consideration payable in cash. We have subsequent agreed with Caracal Gold to take up the US$450,000 of the initial share consideration on the sale of Kilimapesa at the initial listing price of Caracal Gold and as a result, Caracal Gold has allotted an additional circa 32 878 000 shares in lieu of a cash payment of US$450,000, increasing the Group's shareholding in Caracal to 9.2%.

The directors were aware that with the conclusion of the transaction before all condition's precedent was met, that it was at risk of not receiving all considerations that would have been due, although it was secured by a debenture of USD1,500,000. It however believed that to enable Mayflower to conclude the transactions in terms of providing strategic direction at the mine and provide required funding at that time, it needed to do so.

The decision was further based on the –

- Group's ability to sustain the continued losses due to primary mining and exploration at the time;
- Company's directors and shareholders willingness to invest the significant capital required by Primary Mining and Exploration projects; and
- Management time required and opportunities in the Group precious metal recovery business.
- This decision will not preclude the Group's ability to treat artisanal tailings and/or mined ore, provided it does not have an associated mining risk.
- Requirement from Mayflower to have more control of the KPG to enable it to provide the funding required at that point;

As part of the negotiating and concluding of the sale transaction the directors also considered the impact of delayed investment into KPG on other stakeholders, specifically the community, its suppliers. The directors also believed that a long- term care & maintenance program will have resulted in the deterioration of KPG plant and infrastructure and reduction in value for all stakeholders.

Share repurchase of minority shareholding in GPL

The directors decided after the period end, 20 July 2021, to increase the Group's interest in GRL, its principal operating subsidiary, from 74% to 90.63% through the buy-back by GRL of GRL shares from its minority shareholders ("the Transaction").

GRL has two minority shareholders, Amabubesi Property Holdings Proprietary Limited ("Amabubesi") and Dartingo Trading 161 Proprietary Limited ("Dartingo"), who respectively hold an 11% and a 15% interest in GRL. Following a notification received from the two minority shareholders indicating their intention to dispose of their shareholdings, GRL has agreed to repurchase all of the Dartingo shareholding and 7.33% of the shares held by Amabubesi for ZAR 89.3 million (approximately GBP4.5 million). Amabubesi and Dartingo are companies connected with Goldplat's Non-Executive Director, Mr Sango Ntsaluba. Subsequent to the Transaction, GRL will issue to Aurelian Capital Proprietary Limited ("Aurelian"), a company associated with Mr Ntsaluba, shares amounting to 4.90% of GRL, at the same valuation as the share repurchase, for ZAR 16 million (approximately GBP807,000) as described further below. As a result of the Transaction, Goldplat will own 90.63% of GRL and Mr Ntsaluba will own, directly and indirectly, 9.37% of GRL.

The consideration for the repurchased shares of ZAR 89.3 million (approximately GBP4.5 million) will be settled in two instalments, with 50% settled when the first payment is received from the funding arrangement with Nedbank as described below and the remainder not later than 180 days thereafter. Separately GRL has agreed with the minority shareholders to bring forward the settlement date of the second instalment as far as is practical for GRL. The net cost to GRL of the Transaction will be ZAR 73.4 million (approximately GBP3.7 million), and Goldplat's share of the net cost of the Transaction to GRL will be 90.63%, effectively resulting in its additional 16.63% interest in GRL costing Goldplat ZAR 66.52 million (approximately GBP3.35 million).

The Transaction values GRL at ZAR 400 million (approximately GBP20.2 million). For the year ended 30 June 2021, GRL made a post-tax profit of ZAR 39.9 million (approximately GBP1.9 million) and had net assets of ZAR 276 million (approximately GBP13.9 million).

Funding Arrangements - Post balance sheet event

The Transaction was financed in part through a South African Rand denominated bank facility of ZAR 60 million (approximately GBP3.02 million) provided by Nedbank, of which 50% was drawn within the 30 days and the remainder in 90 days. The remainder of the consideration was settled through a set-off against the existing Amabubesi vendor loan of ZAR 12.6 million (approximately GBP635,000) outstanding to the Group with the balance paid in cash.

Strategic Report Continued

The principal on the bank facility is repayable monthly over 36 months. The interest payable on the facility will be the South African Prime Rate plus 1.75%.

As a condition of the facility from Nedbank, the Group's facility with Scipion, of GBP33,000, were settled in full and its securities over GRL will be cancelled.

Further to above, GRL did grant security over its debtors as well as a negative pledge over its moveable and any immovable property and a general notarial bond over all movable assets of GRL will be registered. The Group will further enter into a limited suretyship for ZAR 60 million (approximately GBP3.02 million), in favour of Nedbank.

Related Party Transactions with Mr Sango Ntsaluba - Post balance sheet event

Conditional on the share repurchase from Amabubesi and Dartingo occurring, GRL has issued 4.90% shares in GRL (after the share repurchase) to Aurelian, a company controlled by Mr Sango Ntsaluba, in order to maintain a BEE partner in GRL and to reduce the cost to the Group of the share repurchase transaction. The issue of the shares was subject to regulatory approvals and the waiver of pre-emptive rights by the remaining minority shareholders of GRL. Aurelian settle the ZAR 16 million (approximately GBP807,000) consideration as follows:

- ZAR 5 million (approximately GBP252,000) were settled in cash;
- A further ZAR 5 million (approximately GBP252,000) will be settled in cash in 180 days; and
- A vendor loan has been granted for a further ZAR 6 million (approximately GBP302,000), which will be repayable from distributions to be declared by GRL in respect of 1.84% of the shares in GRL held by Aurelian.

After the completion of above transactions and cancellation of the repurchased shares, the Group held 90.63% of GRL (an increase of 16.63%), Amabubesi will hold 4.47% and Aurelian 4.90%. Subsequent to above, Amabubesi's remaining shares were repurchased and shares to the same amount and value issued to Aurelian. Aurelian is therefore the only minority partner in South Africa and holds 9.37% of GRL.

By virtue of their size and because Mr Ntsaluba is both a director of Goldplat and a major shareholder of Amabubesi and Dartingo, both the share repurchases by GRL of 22.33% of shares held by Amabubesi and Dartingo and the subsequent issue by GRL of shares to Aurelian constituted related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors, being the Goldplat board members with the exception of Mr Ntsaluba, consider, having consulted with the Company's Nominated Adviser, Grant Thornton UK LLP, that the terms of the transactions are fair and reasonable insofar as Goldplat's shareholders are concerned.

Compliance with BEE regulations

These transactions result in a reduction in the Black Economic Empowerment ("BEE") ownership of GRL. However, none of GRL's current licenses to operate are impacted by these changes. The reduction in the BEE ownership will impact on GRL's ability to renew its mining right in South Africa when it comes up for renewal in May 2023. GRL however does not plan to renew this mining right as it does not have an identified minerals deposit and can continue its current operations under the Refining License which only expires on 1 November 2040. Nonetheless, the Group and GRL remain cognisant of South African government policy to advance economic transformation and enhance the economic participation of black people in South Africa and will continue to look at means to do so through ownership, management representation, development of employee skills, local enterprise development and participation in local socio-economic development.

The directors considered the following when making the decision

- increasing its shareholding in the Companies historically most profitable subsidiary in the Group and therefore the Group's share of dividends paid from GRL;
- increasing its share by 16.63% in the intercompany loan of GBP4.5 million (approximately ZAR 89,3 million) receivable by GRL from the Group and the 1% interest receivable on the loan, which is payable over the next 4 years;
- The basis for the transaction considering the involvement of related parties;
- The Company's ability to repay the Nedbank loan over the next 36 months; and
- The potential impact if the minority shareholding is taken up by a party unknown to the Group.

Werner Klingenberg

Director

21 December 2021

Independent Auditor's Report to the members of Goldplat Plc

Opinion on the financial statements

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 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Goldplat Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 which comprise the consolidated and company statements of financial position, the consolidated and company statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the company statements of changes in equity, the consolidated and company statement of cash flows and notes to the consolidated and separate financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Discussing the impact of COVID-19 with Management and the Audit Committee including their assessment of risks and uncertainties associated with areas such as the Group's workforce, supply chain, customer sales and commodity market prices that are relevant to the Group's business model and operations. We compared this against our own assessment of risks and uncertainties based on our understanding of the business and mining sector.
- Obtaining Management's base case cash flow forecast, challenging the key operating assumptions based on 2020 actuals and 2021 year to date actual results, external data and market commentary, where possible.
- Obtaining Management's reverse stress testing analysis which was performed to determine the point at which liquidity breaks and considering whether such scenarios, including significant reductions in commodity prices and production were possible given the dynamics of the sector and the level of Covid-19 uncertainty.
- Evaluating post balance sheet date funding arrangements and assessing whether any of the financial covenants may be breached during the going concern review period
- Testing the integrity of the forecast models and assessing their consistency with post year end trading when compared to budget forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the members of Goldplat Plc
Continued

Overview

Coverage[1]	Areas subject to a full scope audit by the Group engagement team and the auditors of the significant components: • 100% (2020: 100%) of Group revenue • 99.9% (2020: 99.7%) of Group total assets		
Key audit matters ('KAMs')		**2021**	**2020**
	Revenue Recognition	✔	✔
	Carrying value of property, plant and equipment (PPE), goodwill and other intangible assets	✔	✔
	Valuation of inventory	✔[1]	N/A
	1 = This was identified as a key audit matter in 2021 given the materiality of the balance at year end The prior year KAMs also included accounting for discontinued operations and the accounting for the Ashanti Gold option in Anumso. As both entities were accounted for as Held for Sale under IFRS 5 and the investments written down to their recoverable amounts at 30 June 2020, we do not consider these to be KAMs for the current year audit.		
Materiality	Group financial statements as a whole £181,000 (2020: £283,000) based on 5% (2020: 5%) of profit before tax.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We determined that there were three significant components of the Group in addition to the parent company and these were each subject to a full scope audit. The financial statements consolidate these entities together with a number of non-trading subsidiary undertakings which are considered to be insignificant components.

The audits of the significant trading components were principally performed in the geographical location of the operations (South Africa and Ghana) by non-BDO member firms. BDO LLP performed the audits of the Parent Company and other components.

The Group audit team issued detailed Group reporting instructions to component auditors, which set out the significant areas to be covered by their audit (including were applicable key audit matters as detailed below), and detailed the information required to be reported to the Group audit team. The Group audit team was in contact, at each stage of the audit, through planned calls and regular written communication with the component auditors. The Group audit team performed remote reviews of the significant components' working papers and, in addition to the review of detailed working papers of the component auditors', the Group auditor also received further supporting direct documentation from the component auditors as requested. The Group team attended regular virtual conference meetings throughout the audit and held completion calls with each component auditor to close out the component auditor's work from a Group audit perspective.

Specific audit procedures were performed to address the risks of material misstatement arising from key balances in non-significant components, with testing performed on all material balances within these components. These specific audit procedures were performed by the Group audit team.

All other components were scoped in for analytical review procedures to confirm our conclusion that there were no significant risks of material misstatement in the financial information. This work was performed by BDO LLP.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the 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) that 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition (notes 2.9 and 21).	The Group recognises revenue from the sale of precious metals when it completes its performance obligation which is usually determined to be when the metals are delivered to the customer and the customer takes control of the metals in line with contractual terms. The key audit matter identified relates to the potential for cut off errors arising around the timing of the recognition of revenue and the assessment of the valuation of revenue to be recorded due to the subjective nature of the sales transactions which require assay valuations to conclude on pricing. Revenue is therefore considered to include an element of subjectivity and judgement relating to the timing of the recognition of revenue and the amount of revenue recognised.	Our audit procedures included: • Reviewing a sample contracts with customers to verify the appropriateness of the Group's revenue recognition policy to ensure it is in line with the requirements of applicable accounting standards. • Testing a sample of sales transactions by agreeing the invoices to the third party independent assay reports, gold valuation documents and delivery documentation. • Reviewing any differences between the Group's assay results and the customers assay results in order to assess whether or not there were material pricing variations to be accounted for • Verifying the accuracy of gold prices and exchange rates used against independent sources of information. • Verifying sales recorded immediately before and after the reporting date to the nominal ledger and assessing whether revenue had been recorded in the correct period through a review of the documentation relating to the independent assay valuations and deliveries. • Reviewing the financial statements for appropriateness of disclosures in accordance with applicable accounting standards. Key observations: We found Management's revenue recognition policy to be in line with the requirements of applicable accounting standards and the recognition and measurement of revenue in the year to be appropriate.
Carrying amount of Property Plant and Equipment (PPE), goodwill and other intangible assets (Notes 4 and 5).	The Group's non-current assets, which comprise PPE and intangible assets (including goodwill) amount to £4.6m (2020: £3.9m) and £4.7m (2020: £4.7m) respectively. Management are required to review, at least annually, whether there are indicators of impairment in respect of its non-current assets. In the current environment where the global impact of COVID-19 is continuing to impact many sectors, there is an increased level of judgement involved in Management's forecasting due to the uncertainty over the Group's performance in both the short and long term.	Our audit procedures included: • Reviewing Management's assessment of the identification of the appropriate cash generating units ('CGU') for the Group against the requirements of the accounting standards. • Reviewing Management's impairment indicators assessment for each CGU against the criteria in the accounting standards in order to determine whether Management's assessment was complete and in accordance with the requirements of the accounting standards. • Performing an independent assessment of financial and non-financial data in order to seek to identify any other potential impairment indicators. As Management and the Board had identified an impairment trigger present across all CGUs we: • Compared the actual operating performance for each CGU for the year back to historical forecasts in order to assess whether the CGUs were operating in line with forecasts and in order to assess the Group's ability to forecast reliably. • Obtained, reviewed and sensitised the key inputs in Management's discounted cash flow models, checking that the key inputs included in the models such as gold prices, production, capital expenditure and discount rates were reasonable and within an acceptable range based on our knowledge of the sector. In so doing we obtained and identified our own inputs from data sources available to us.

Independent Auditor's Report to the members of Goldplat Plc
Continued

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td></td><td></td><td>

Tested the mathematical integrity of Management's models and challenged the basis of preparation of the model to ensure it was in line with our expectations and an accepted valuation methodology for discounted cash flows.
Reviewed and assessed the adequacy of the disclosures in the financial statements to ensure that they were prepared in accordance with the requirements of the accounting standard.

Key observations:
We found the judgements and estimates applied by Management in preparing the models to be supportable and appropriate.
</td></tr>
<tr><td>Valuation of inventory
(Notes 2.4 and 10)</td><td>The Group's inventories, which comprise raw materials, consumables and precious metals on hand and in process amount to £8.4m (2020: £6.4m) at the balance sheet date

The raw materials and precious metals on hand and in process are recognised at cost, and Management must make an assessment at each year end in order to establish whether or not the carrying value of inventory is impaired. There are estimates and judgements required in the assessment undertaken by Management, including those related to costings, grade of ore and gold prices.

There is a risk inventory is carried at cost which is in excess of its recoverable value.</td><td>
Our audit procedures included:

Evaluating whether the inventory valuation methodology at the year end was in line with the accounting policy of inventory being recorded at the lower of cost and net realisable value.
Obtaining and reviewing Management's calculation of the precious metals on hand and in process valuation, and comparing this to a third party specialist valuation report.
Assessing the competence of third party surveyors or internal experts who were responsible for preparing inputs applied in the determination of the valuation of inventory.
Evaluating whether the appropriate costs had been included in the cost of inventory and that these costs were recognised in accordance with the requirements of the relevant accounting standards
Obtaining third party confirmation of inventory in transit at the year end, to confirm existence and receipt of that inventory by customers subsequent to the year end.
Reviewing the financial statement disclosures to ensure they are presented in accordance with the requirements of the accounting standard.

Key observations:
We found the judgements and estimates applied by Management in the valuation of inventory to be supportable and appropriate.
</td></tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
Materiality	2021 £	2020 £	2021 £	2020 £
	181,000	283,000	126,700	172,500
Basis for determining materiality	Materiality was set at 5% (2020: 5%) of the profit before tax.		Materiality was capped at 70% of group materiality in order to ensure appropriate assurance was obtained (2020: based on a percentage of total assets)	
Rationale for the benchmark applied	We consider the use of profit before tax to be the most appropriate benchmark given it is a key measure for stakeholders based on market practice and investor expectations.		The Parent Company materiality was capped at 70% of Group materiality.	
Performance materiality	2021 £	2020 £	2021 £	2020 £
	126,000	198,000	86,000	120,000
Basis for determining performance materiality	Performance materiality was set at 70% (2020: 70%) of the above materiality levels. The level of performance materiality was set after considering a number of factors including significant transactions in the year, the expected value of known and likely misstatements, and Management's attitude towards proposed misstatements.			

Component materiality

We set materiality for each component of the Group based on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £30,000 to £114,200 (2020: £50,000 to £172,500). In the audit of each component, the component auditors further applied performance materiality levels of 70% (2020: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £3,600 (2020: £5,600). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated and Company Annual Financial Statements 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 our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the members of Goldplat Plc
Continued

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and Parent 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.
Matters on which we are required to report by exception	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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 and the Parent Company'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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and components and the industry in which they operate, through discussion with Management and the Audit Committee and our knowledge of the industry. We focussed on significant laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, international accounting standards, Health and Safety, and tax legislations.
- Considering compliance with these laws and regulations through discussions with Management and the Audit Committee. Our procedures also included holding discussions with executive management, the non-executive directors are members of the Audit Committee and reviewing minutes from board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations.

- Assessing the susceptibility of the Group's and Company's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including management override of controls and improper revenue recognition, we tested the appropriateness of journal entries made throughout the year by applying specific criteria.
- Performing a detailed review of the Group's year end adjusting entries and journals throughout the year, investigated any that appeared unusual as to nature or amount.
- Assessing whether the judgements made in accounting estimates were indicative of a potential bias and tested the application of cut-off and revenue recognition (refer to Revenue Recognition KAM).
- Identifying areas of risk management bias and reviewed key estimates and judgements applied by Management in the financial statements to assess their appropriateness.
- The engagement partner assessed that the engagement team, collectively, had the appropriate competence and capability to identify and recognise compliance with law and regulation
- Communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and component auditors, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Sayers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor London
United Kingdom
21 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statements of Financial Position

Figures in £'000	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Assets					
Non-current assets					
Property, plant and equipment	4	4,568	3,900	–	–
Right-of-use assets	18	574	356	–	–
Intangible assets	5	4,664	4,664	–	–
Investments in subsidiaries, joint ventures and associates	6	1	1	20,268	9,425
Receivable on Kilimapesa sale	7	606	–	–	–
Other loans and receivables	8	636	661	–	–
Loan to group company	9	–	–	–	4,494
Total non-current assets		**11,049**	**9,582**	**20,268**	**13,919**
Current assets					
Inventories	10	8,433	6,432	–	–
Trade and other receivables	11	13,003	4,476	178	24
Receivable on Kilimapesa sale	7	58	–	–	–
Cash and cash equivalents	12	3,459	3,140	22	10
Total current assets		**24,953**	**14,048**	**200**	**34**
Non-current assets or disposal groups classified as held for sale	13	–	3,380	–	–
Total current assets		**24,953**	**17,428**	**200**	**34**
Total assets		**36,002**	**27,010**	**20,468**	**13,953**
Equity and liabilities					
Equity					
Share capital	14	1,698	1,675	1,698	1,675
Share premium	14	11,491	11,441	11,491	11,441
Retained income/(accumulated loss)		6,846	5,167	(2,887)	653
Foreign exchange reserve	15	(5,258)	(6,224)	–	–
Total equity attributable to owners of the parent		**14,777**	**12,059**	**10,302**	**13,769**
Non-controlling interests		3,637	3,057	–	–
Total equity		**18,414**	**15,116**	**10,302**	**13,769**
Liabilities					
Non-current liabilities					
Provisions	16	787	549	–	–
Deferred tax liabilities	17	792	919	–	–
Lease liabilities	18	110	145	–	–
Loan from group company		–	–	10,030	–
Total non-current liabilities		**1,689**	**1,613**	**10,030**	**–**

Figures in £'000	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Current liabilities					
Trade and other payables	19	15,445	7,465	113	184
Current tax liabilities		128	157	–	–
Current portion of long term borrowings		33	1,004	–	–
Lease liabilities	18	293	206	–	–
Loan from group company		–	–	23	–
Total current liabilities		**15,899**	**8,832**	**136**	**184**
Liabilities included in disposal groups classified as held for sale	13	–	1,449	–	–
Total current liabilities		**15,899**	**10,281**	**136**	**184**
Total liabilities		**17,588**	**11,894**	**10,166**	**184**
Total equity and liabilities		**36,002**	**27,010**	**20,468**	**13,953**

The financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 21 December 2021. They were signed on its behalf by: Werner Klingenberg, Director.

The notes on pages 39 to 62 are an integral part of these consolidated financial statements.

Werner Klingenberg
21 December 2021

Statements of Profit or Loss and Other Comprehensive Income

Figures in £'000	Notes	Group 2021	Group 2020
Revenue	21	35,400	24,809
Cost of sales		(29,201)	(17,497)
Gross profit		**6,199**	**7,312**
Other income		56	–
Administrative expenses	23	(1,694)	(1,682)
Impairment loss		–	(295)
Profit/(loss) from operating activities		**4,561**	**5,335**
Finance income	24	–	1,067
Finance costs	25	(909)	(736)
Profit/(loss) before tax		**3,652**	**5,666**
Income tax expense - continuing operations	26	(903)	(2,361)
Profit/(loss) from continuing operations		**2,749**	**3,305**
Loss from discontinued operations	13	(570)	(5,270)
Profit/(loss) for the year		**2,179**	**(1,965)**
Profit/(loss) for the year attributable to:			
Owners of Parent		1,679	(3,137)
Non-controlling interest		500	1,172
		2,179	**(1,965)**
Other comprehensive income net of tax			
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation relating to the parent			
Gains/(losses) on exchange differences on translation		719	(1,394)
Exchange reserve reclassified on loss of control of Kilimapesa		247	–
Total Exchange differences on translation		**966**	**(1,394)**
Exchange differences relating to the non-controlling interest			
Gains/(losses) on exchange differences on translation		256	(488)
Total other comprehensive income that will be reclassified to profit or loss		**1,222**	**(1,882)**
Total other comprehensive income net of tax		**1,222**	**(1,882)**
Total comprehensive income		**3,401**	**(3,847)**
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		2,645	(4,531)
Comprehensive income, attributable to non-controlling interests		756	684
		3,401	**(3,847)**

Figures in £'000	Notes	Group 2021	Group 2020
Earnings per share from continuing and discontinuing operations attributable to owners of the parent during the year			
Basic earnings per share			
Basic earnings per share from continuing operations	27	1.32	1.27
Basic loss per share from discontinuing operations		(0.34)	(3.15)
Total basic earnings/(loss) per share		**0.98**	**(1.87)**
Diluted earnings per share			
Diluted earnings per share from continuing operations	27	1.32	1.25
Diluted loss per share from continuing operations		(0.33)	(3.12)
Total diluted earnings/(loss) per share		**0.99**	**(1.88)**

The notes on pages 39 to 62 are an integral part of these consolidated financial statements.

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 2021 was £3,540,000 (2020 - profit £24,000).

Statements of Changes in Equity - Group

Figures in £'000	Share Capital	Share premium	Foreign currency translation reserve	Retained income/ (accumulated loss)	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 July 2019	1,675	11,441	(4,830)	8,282	16,568	2,717	19,285
Changes in equity							
Loss for the year	–	–	–	(3,137)	(3,137)	1,172	(1,965)
Other comprehensive income	–	–	(1,394)	–	(1,394)	(488)	(1,882)
Total comprehensive income for the year	–	–	(1,394)	(3,137)	(4,531)	684	(3,847)
Non-controlling interests in subsidiary dividend	–	–	–	–	–	(344)	(344)
Share based payments	–	–	–	22	22	–	22
Balance at 30 June 2020	**1,675**	**11,441**	**(6,224)**	**5,167**	**12,059**	**3,057**	**15,116**
Balance at 1 July 2020	1,675	11,441	(6,224)	5,167	12,059	3,057	15,116
Changes in equity							
Profit for the year	–	–	–	1,679	1,679	500	2,179
Other comprehensive income	–	–	719	–	719	256	975
Exchange reserve released through profit and loss on sale of Kilimapesa	–	–	247	–	247	–	247
Total comprehensive income for the year	–	–	966	1,679	2,645	756	3,401
Non-controlling interests in subsidiary dividend	–	–	–	–	–	(176)	(176)
Shares issued from options exercised	23	50	–	–	73	–	73
Balance at 30 June 2021	**1,698**	**11,491**	**(5,258)**	**6,846**	**14,777**	**3,637**	**18,414**
Notes	**14**	**14**					

The notes on pages 39 to 62 are an integral part of these consolidated financial statements.

Statements of Changes in Equity - Company

Figures in £'000	Issued capital	Share premium	Retained income/ (accumulated loss)	Total
Balance at 1 July 2019	1,675	11,441	629	13,745
Changes in equity				
Profit for the year	–	–	24	24
Total comprehensive income	–	–	24	24
Balance at 30 June 2020	**1,675**	**11,441**	**653**	**13,769**
Balance at 1 July 2020	**1,675**	**11,441**	**653**	**13,769**
Changes in equity				
Loss for the year	–	–	(3,540)	(3,540)
Total comprehensive income	–	–	(3,540)	(3,540)
Shares issued from options exercised	23	50	–	73
Balance at 30 June 2021	**1,698**	**11,491**	**(2,887)**	**10,302**
Note	**14**	**14**		

The notes on pages 39 to 62 are an integral part of these consolidated financial statements.

Statements of Cash Flows

Figures in £'000	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Net cash flows from/(used in) operations	34	**4,277**	**4,774**	**(73)**	**29**
Finance cost		(909)	(736)	(8)	(9)
Finance income		–	1,067	–	–
Income taxes paid		(1,059)	(1,725)	(5)	–
Net cash flows from/(used in) operating activities		**2,309**	**3,380**	**(86)**	**20**
Cash flows (used in)/from investing activities					
Proceeds from sales of property, plant and equipment		18	9	–	–
Purchase of property, plant and equipment		(979)	(356)	–	–
Decrease in cash from disposal of non-current assets held for sale		(6)	–	–	–
Receipt from long term receivable		74	156	–	–
Decrease/(Increase) of loans to subsidiary		–	–	25	(19)
Cash flows (used in)/from investing activities		**(893)**	**(191)**	**25**	**(19)**
Cash flows (used in)/from financing activities					
Proceeds from drawdown of interest-bearing borrowings		–	973	–	–
Net (repayment) from debt financing (included under trade and other payables)		–	(1,490)	–	–
Net proceeds from issuing of shares		73	–	73	–
Repayment of interest-bearing borrowings		(872)	(394)	–	–
Interest paid on interest-bearing borrowings		(99)	(127)	–	–
Principal paid on lease liabilities		(186)	(151)	–	–
Interest paid on lease liabilities		(21)	(40)	–	–
Payment of dividend by subsidiary to non-controlling interest		–	(344)	–	–
Payment of dividend to non-controlling interest		(176)	–	–	–
Cash flows (used in)/from financing activities		**(1,281)**	**(1,573)**	**73**	**–**
Net increase in cash and cash equivalents		135	1,616	12	1
Cash and cash equivalents at beginning of the year		3,146	1,807	10	9
Foreign exchange movement on opening balance		178	(277)	–	–
Cash and cash equivalents at end of the year	**12**	**3,459**	**3,146**	**22**	**10**
Cashflows from discontinued operations		–	5	–	–

The notes on pages 39 to 62 are an integral part of these consolidated financial statements.

Accounting Policies

1. General information

Goldplat plc (the 'Company') is a public company limited by shares domiciled and registered 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. Basis of preparation and summary of significant accounting policies

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 the Companies Act 2006 as applicable to entities reporting in accordance with IFRS.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value.

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 Group's subsidiaries' functional currency is considered to be the South African Rand (ZAR), Ghana Cedi (GHS) and the Kenyan Shilling (KES) and the Company's functional currency is Pounds Sterling (GBP) as these currencies mainly influences sales prices and expenses.

Use of estimates and judgements

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

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

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

- Carrying value of goodwill to the value of £4,664,000 (2020: £4,664,000) (Note 5)
- Inventory - precious metals on hand and in process to the value of £4,303,000 (2020: £3,799,000) (Note 10)
- Rehabilitation provision £787,000 (2020: £549,000) (Note 16)
- Useful economic lives (Note 2)

2.1 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method 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.

Accounting Policies Continued

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

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

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

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.

On acquisition of a subsidiary, or where a subsidiary has been transferred from another entity within the group, the transaction is fair valued at the date control of the subsidiary passes. The investment is the subsidiary is accounted for at amortised cost, less any provision for impairment, post transaction date.

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.

2.2 Foreign currency translation

Transactions and balances

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary OCI financial assets form part of the overall gain or loss in OCI recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On loss of control of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

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 an annual average exchange rate.

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 the non-controlling interest. 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.

2.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment as well as leasehold assets 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.

Subsequent costs

Subsequent expenditure is analysed by its nature. Substantial modification done on property, plant and equipment 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 that relate to day-to-day repairs are expensed and substantial modifications are capitalised provided that IAS 16 recognition criteria has been met.

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.

Asset class	Useful life / depreciation rate
Buildings	20 years
Leasehold property	lease period
Plant and equipment	10 years
Motor vehicles	5 years
Office equipment	6 years
Environmental asset	life of mine

2.4 Intangible assets

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented within intangible assets. Intangible assets are initially measured at cost.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

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, is recognised in profit or loss as incurred.

Accounting Policies Continued

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.

- pre-production expenditure: on a unit cost basis over the useful life from date of commencement of production

Inventories

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

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

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

Impairment

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

2.5 Financial instruments

Expected credit losses

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables ad contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

Financial assets

The Group has adopted IFRS 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets.

The Group has classified £11,986,000 (2020: £3,850,000) as fair value through profit or loss due to the exposure to commodity prices. Due to the short nature of these amounts the impact on the profit or loss is immaterial.

The Group's as well as the Company's financial assets measured at amortised cost comprise trade and other receivables, and cash and cash equivalents in the consolidated statement of financial position.

Trade receivables and intra group balances are initially recognised at fair value. Impairment requirements use an expected credit loss model to recognise an allowance. For receivables a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available and has been adopted by the Group/Company. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being reported within the consolidated statement of comprehensive income. On confirmation that the trade and intra group receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Trade receivables will be derecognised when the balance has been settled to the Group or where the balance has been assigned to another party, when such party has been settled.

Impairment provisions for receivables from related parties and loans to related parties are recognised on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

Financial liabilities

Financial liabilities are recognised in the Group's/Company's balance sheet when the Group/Company becomes party to a contractual provision of the instrument.

Trade and other payables, including invoice financing creditors are recognised at their cost which approximates to their fair value.

(i) Non-derivative financial liabilities

The Group initially recognises debt securities issued 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.

(ii) Share capital

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.

Other financial assets

Other financial assets are recognised initially at the fair value, including transaction costs. The asset will subsequently be measured at fair value and are grouped into levels 1 to 3 based on the significance of the inputs used in the valuation. The financial assets from the Kilimapesa sale has significant inputs and is therefore included in level 3.

2.6 Non-current assets or disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification

On initial classification as held-for-sale, generally, non-current assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or other comprehensive income in the case of a revalued asset). The same applies to gains and losses on subsequent remeasurement. However, certain items, such as financial assets within the scope of IAS 39: Financial Instruments: Recognition and Measurement and investment property within the scope of IAS 40: Investment Properties, continue to be measured in accordance with those standards.

Impairment losses subsequent to classification of assets as held-for-sale are recognised in profit or loss. Increases in fair value less costs to sell assets that have been classified as held-for-sale are recognised in profit or loss to the extent that the increase is not in excess of any cumulative impairment loss previously recognised in respect of the asset

Gains and losses on remeasurement and impairment losses subsequent to classification as disposal groups and non-current assets held-for-sale are shown within continuing operations in profit or loss, unless they qualify as discontinued operations. Disposal groups and non-current assets held-for-sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

2.7 Tax

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 substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Accounting Policies Continued

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

Leases

Identifying leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group obtains substantially all the economic benefits from use of the asset; and

(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16

2.8 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.

2.9 Revenue

The Group has adopted IFRS 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition

Revenue from precious metal sales is recognised when transfer of control takes place when the product has been delivered under the terms of the contract at the refiner or smelter premises. The sales price is estimated on a provisional basis as 95% of market price at the end of the month in which the material is delivered to the refiner. Management estimate is based on evaluation of historical data to ensure on average the revenue recognised is in line with what can reasonably expected. Management does review this on an annual basis and will adjust these estimates based on historical data, if and when required. The estimates used is in line with prior years.

Adjustments to the sales value occur based on the metal content which represent variable transaction price components up to the date of final pricing. Final pricing is based on the monthly average market price in the month of the settlement. The period between the final invoice and provisional invoice is typically three months. The revenue adjustment mechanism embedded within provisional priced sales arrangements has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is reestimated continuously and changes in fair value recognised , when and in the period it occurs, as an adjustment to the revenue in profit or loss and trade receivables in the statement of financial position.

There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, has a right to payment on agreed terms and it is considered that the Group has satisfied the performance obligation.

2.10 Employee benefits

Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based payments are set out in note 26.

2.11 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.

2.12 Discontinued operations

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re- measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

2.13 Dividends paid out to non-controlling interest

For business combinations completed prior to 1 January 2010, the Group initially recognised any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The group has not elected to take the option to use fair value in acquisitions completed to date.

From 1 January 2010, the total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

3. Changes in accounting policies and disclosures

New standards and interpretations not yet adopted

The company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 July 2020 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the company). The directors anticipate that the new standards, amendments and interpretations will be adopted in the company's consolidated and separate financial statements when they become effective. The company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

Notes to the Consolidated and Separate Financial Statements

4. Property, plant and equipment

Balances at year end and movements for the year	Buildings	Leasehold property	Machinery	Motor vehicles	Office equipment	Environ-mental asset	Total
Reconciliation for the year ended 30 June 2021 - Group							
Balance at 1 July 2020							
At cost	360	233	5,640	698	66	530	7,527
Accumulated depreciation	(170)	(154)	(2,565)	(503)	(49)	(186)	(3,627)
Net book value	**190**	**79**	**3,075**	**195**	**17**	**344**	**3,900**
Movements for the year ended 30 June 2021							
Additions from acquisitions	–	–	866	99	14	153	1,132
Depreciation	(18)	–	(408)	(51)	(4)	(37)	(518)
Disposals	(3)	–	(7)	(8)	(9)	–	(27)
Reclassification due to adoption of IFRS 16	–	–	–	7	–	–	7
Effect of movements in exchange rates	(5)	(5)	38	16	1	29	74
Property, plant and equipment at the end of the year	**164**	**74**	**3,564**	**258**	**19**	**489**	**4,568**
Closing balance at 30 June 2021							
At cost	354	218	6,205	737	64	727	8,305
Accumulated depreciation	(190)	(144)	(2,641)	(479)	(45)	(238)	(3,737)
Net book value	**164**	**74**	**3,564**	**258**	**19**	**489**	**4,568**

	Buildings	Leasehold property	Machinery	Motor vehicles	Office equipment	Environ-mental asset	Total
Reconciliation for the year ended 30 June 2020 - Group							
Balance at 1 July 2019							
At cost	524	503	9,769	1,226	114	632	12,768
Accumulated depreciation	(212)	(5)	(3,539)	(808)	(79)	(176)	(4,819)
Net book value	**312**	**498**	**6,230**	**418**	**35**	**456**	**7,949**
Movements for the year ended 30 June 2020							
Additions from acquisitions	–	–	356	–	–	–	356
Depreciation	(23)	–	(735)	(70)	(8)	(38)	(874)
Reclassification due to adoption of IFRS 16	–	–	(342)	(71)	–	–	(413)
Disposals	–		(4)	(12)	(1)	–	(17)
Impairment	–	(148)	–	–	(3)	–	(151)
Decrease through classified as held for sale	(66)	(264)	(1,987)	(20)	(2)	–	(2,339)
Effect of movements in exchange rates	(33)	(7)	(443)	(50)	(4)	(74)	(611)
Property, plant and equipment at the end of the year	**190**	**79**	**3,075**	**195**	**17**	**344**	**3,900**
Closing balance at 30 June 2020							
At cost	360	233	5,640	698	66	530	7,527
Accumulated depreciation	(170)	(154)	(2,565)	(503)	(49)	(186)	(3,627)
Net book value	**190**	**79**	**3,075**	**195**	**17**	**344**	**3,900**

5. Intangible assets

5.1 Reconciliation of changes in intangible assets

	Goodwill	Mining rights and preproduction expenditure	Exploration and development	Total
Reconciliation for the year ended 30 June 2021 - Group				
Balance at 1 July 2020				
At cost	5,631	145	–	5,776
Accumulated amortisation and impairment	(967)	(145)	–	(1,112)
Net book value	**4,664**	**–**	**–**	**4,664**
Movements for the year ended 30 June 2021				
Impairment loss recognised in profit or loss	–	–	–	–
Intangible assets at the end of the year	**4,664**	**–**	**–**	**4,664**
Closing balance at 30 June 2021				
At cost	5,631	–	–	5,631
Accumulated impairment	(967)	–	–	(967)
Net book value	**4,664**	**–**	**–**	**4,664**
Reconciliation for the year ended 30 June 2020 - Group				
Balance at 1 July 2019				
At cost	5,631	2,641	1,479	9,751
Accumulated amortisation	–	(1,607)	(680)	(2,287)
Net book value	**5,631**	**1,034**	**799**	**7,464**
Movements for the year ended 30 June 2020				
Disposals	–	(706)	(738)	(1,444)
Amortisation	–	(179)	(53)	(232)
Impairment	(967)	(145)	–	(1,112)
Effect of movements in exchange rates	–	(4)	(8)	(12)
Intangible assets at the end of the year	**4,664**	**–**	**–**	**4,664**
Closing balance at 30 June 2020				
At cost	5,631	145	–	5,776
Accumulated amortisation and impairment	(967)	(145)	–	(1,112)
Net book value	**4,664**	**–**	**–**	**4,664**

5.2 Impairment assessment

Goodwill has been assessed during the current year for any impairment and it was concluded that the goodwill is fairly valued. The recoverable amounts of the CGU's were assessed by performing a valuation and it was concluded that the recoverable amounts exceeded the goodwill value indicating no further impairment is required to be recognised.

Notes to the Consolidated and Separate Financial Statements
Continued

6. Investments in subsidiaries, joint ventures and associates

6.1 Investments in subsidiaries

Details of the group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Holding	Address
Gold Mineral Resources Limited	100%	Trafalgar Court, Admiral Park, St Peter Port, Guernsey
Goldplat Recovery (Pty) Ltd	74%	Daveyton Road, New Modder, Benoni, 1501, South Africa
Goldplat Ghana Limited	100%	BCB Legacy House, 1 Nii Amugi Avenue, East Adabraka, Accra, Ghana
Nyieme Gold SARL	100%	Trafalgar Court, Admiral Park, St Peter Port, Guernsey
Midas Gold SARL	100%	Trafalgar Court, Admiral Park, St Peter Port, Guernsey

6.2 Amounts per the statements of financial position

Investments in subsidiaries, joint ventures and associates

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	1	1	9,425	9,425
Investment in GPR purchased	–	–	14,500	–
Impairment	–	–	(3,657)	–
Investment in joint venture	**1**	**1**	**20,268**	**9,425**

During the current financial year, one of the group subsidiaries - Goldplat Recovery (Pty) Ltd (GPR) that is 74% owned was sold from Gold Mineral Resources (GMR) to Goldplat PLC (PLC). The purchase price of GBP14.5 million was agreed upon and then investment was recognised in the books of Goldplat PLC.

The value of the investment by Plc in GMR and GPR was assessed separately due to these being two different cashflow units being held by Plc. In the past all subsidiaries have been held under GMR and the net present value of these cashflow units combined under GMR was assessed against investment value in Plc. The net present value of the assessment of GPR supported the investment in GPR, however the investment in GMR was not supported by the net present value of expected cashflows and investment was impaired by GBP3,657,000. The investment in GMR still included a goodwill porting related to GPR of GBP2,136,000, which form part of the reason for the impaired of investment in GMR.

7. Receivable on Kilimapesa sale

Receivable on Kilimapesa sale incorporates the following balances:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Receivable from Kilimapesa sale	664	–	–	–

The receivable relate to the 1% net smelter royalty on production of Kilimapesa to the maximum of USD1,500,000.

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Non-current assets	606	–	–	–
Current assets	58	–	–	–
	664	**–**	**–**	**–**

Other financial assets are recognised initially at the fair value, including transaction costs. The asset will subsequently be measured at fair value and are grouped into levels 1 to 3 based on the significance of the inputs used in the valuation. The financial assets from the Kilimapesa sale has significant inputs and is therefore included in level 3.

Included in the sales price of Kilimapesa USD1,500,000 in future royalties based on the amount of gold sold by the purchaser. The below valuation was done in order to calculate the GBP644,000 financial asset.

Valuation technique used	Key unobservable inputs	Relationship between unobservable inputs to fair value
Fair value is determined by making the following assumptions: • The estimated gold sold per year • The average gold price • The selling costs • 1% royalties are payable annually	Discount rate of 13% has been applied Gold sales: • 2022: 5,000 oz • 2023: 10,000 oz • 2024: 15,000 oz • 2025: 20,000 oz • 2026: 20,000 oz • 2027: 20,000 oz • 2028: 3,170 oz (balancing figure to get to USD1,500,000 in royalties The average gold price of 1,750 USD/oz is used Based on historical figures provided, an average selling cost of 8% is applied	The higher the discount rate, the lower the fair value. The higher the production level, the higher the fair value The higher the gold price, the higher the value The higher the costs, the lower the value

8. Other loans and receivables

Other loans and receivables comprise the following balances

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Amabubesi (Pty) Ltd	636	661	–	–

The loan receivable 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 the carrying amount represents the fair value of the assets.

Subsequent to year end, the full amount was recovered after a dividends was declared.

9. Loan to group company

Loan to group company comprises the following balances

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Funds advanced to Gold Mineral Resources Limited	–	–	–	4,494

10. Inventories

Inventories comprise:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Raw materials	3,424	1,990	–	–
Consumable stores	706	643	–	–
Precious metals on hand and in process	4,303	3,799	–	–
	8,433	**6,432**	**–**	**–**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Notes to the Consolidated and Separate Financial Statements
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11. Trade and other receivables

Trade and other receivables comprise:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Trade receivables	11,986	3,850	129	–
Sundry debtors	12	12	–	–
Prepaid expenses	157	45	39	15
Other receivables	618	374	–	–
Value added tax	230	195	10	9
	13,003	**4,476**	**178**	**24**

12. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Cash				
Balances with banks	3,459	3,140	22	10

13. Non-current asset held for sale and discontinued operations

Summary of discontinued operations:

Kilimapesa Gold (Pty) Ltd	201
Anumso Gold SARL	369
Loss from discontinued operations	570

13.1 Kilimapesa Gold (Pty) Ltd

In 2019 the board announced its intention to dispose of Kilimapesa Gold (Pty) Ltd (KPG) and began marketing the company during the same period. On 31 July 2020, a binding terms sheet was signed with Mayflower Capital Investments (Pty) Ltd for the sale of 100% of the share capital of KPG which resulted in the investment being recognised as held for sale in the annual financial statements as at 30 June 2020. The full amount of non-current assets and liabilities held for sale recognised in the prior year has been disposed in the current year (Assets - GBP3,380,000 & Liabilities - GBP1,449,000)

The investment was sold during April 2021 and has therefore been derecognised. The loss on disposal included in the statement of profit/loss and other comprehensive income comprises of:

Loss from Kilimapesa operations for the 10 months ended April 2021	(938)
Reversal of exchange reserve due to disposal	(228)
Gain on disposal of held for sale asset	965
Total loss from discontinued operations	**(201)**

13.2 Anumso Gold SARL

During the period the mining license held by Anumso Gold Limited expired and as intended by the Company and the joint venture partner in Anumso Gold Limited, Desert Gold Ventures Inc, was not renewed. During the period we have been informed that mineral right fees since 2013 is outstanding, the playability of which is being disputed. None of the joint venture partners has the intention to capitalise Anumso Gold Limited to settle the claim and current Anumso Gold Limited liabilities exceed its assets by the mineral right fees outstanding.

14. Share capital

14.1 Authorised and issued share capital

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Issued				
Ordinary shares	1,698	1,675	1,698	1,675
	1,698	**1,675**	**1,698**	**1,675**
Share premium	11,491	11,441	11,491	11,441
	13,189	**13,116**	**13,189**	**13,116**

14.2 Additional disclosures

During the current year, additional shares were issued to current shareholders resulting in an increase in share capital and premium. The transactions are detailed below:

Director	Date	Share Capital Movement	Share Premium Movement
Hansie van Vreden	3-Jul-20	10,000	21,250
Gerard Kisbey Green	3-Jul-20	13,333	28,333

15. Reserves

Nature and purpose of reserves 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.

Non-controlling interest

Relates to the portion of equity owned by minority shareholders.

16. Provisions

Provisions comprise:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Environmental obligation	787	549	–	–

In terms of section 54 of the regulations of the Minerals Resource and Petroleum Act of 2002, in South Africa, a Quantum of Financial Provisioning is required for activities performed under mining lease. Quantum of Financial Provisioning requires a detailed itemization of actual costs relating to the premature closure, decommissioning and final closure and post closure management. The Company makes use of an independent consultant to calculate the detail itemized actual current costs for rehabilitation and to evaluate any critical estimates and assumptions. The Quantum of Financial Provisioning has been approved by Department of Minerals Resources in South Africa. The Company has insured the obligation and has ceded the proceeds from the policy to the Department of Minerals Resources. During the current year, the provision held in GPR was reassessed by using an external expert and it was concluded that due to the additional capital expenditure that has taken place over the financial period, the provision had to be increased to account for the additional capital incurred.

Notes to the Consolidated and Separate Financial Statements
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17. Deferred tax

Reconciliation of deferred tax movements

Group	Deferred tax
Opening balance at 1 July 2020	(919)
Current charge - temporary difference	199
Effect of foreign exchange movements	(72)
Closing balance at 30 June 2021	**(792)**
Opening balance at 1 July 2019	(362)
Current charge - temporary difference	(572)
Effect of foreign exchange movements	15
Closing balance at 30 June 2020	**(919)**

Comprising:	2021
2021	
Capital allowances	1,032
Unrelieved tax losses and provisions	(240)
	792
2020	
Capital allowances	940
Unrelieved tax losses and provisions	(21)
	919

18. Lease liabilities

18.1 Lease liabilities comprise:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Lease obligation	403	351	–	–
Plant, machinery and motor vehicles				
Opening balance on 1 July	351	364	–	–
Additions	247	362	–	–
Interest expense	21	34	–	–
Lease payment	(296)	(191)	–	–
Disposal group classified as held for sale or other disposals	–	(235)	–	–
Foreign exchange movements	80	17	–	–
Closing balance on 30 June	403	351	–	–
Non-current liabilities	110	145	–	–
Current liabilities	293	206	–	–
	403	**351**	**–**	**–**

18.2 Right of use asset

Figures in £'000	Group 2021	Group 2020
Plant, machinery and motor vehicles		
Opening balance on 1 July	356	413
Additions	259	362
Amortisation	(59)	(85)
Disposal group classified as held for sale or other disposals	(7)	(329)
Foreign exchange movements	25	(5)
Closing balance on 30 June	**574**	**356**

The average lease term is 2 years. For the year ended 30 June 2021, the average effective borrowing rate was 7.25%. Interest rates are variable over the lease term and vary according to the South African prime interest rate. The Group's lease liabilities are secured over the leased assets.

19. Trade and other payables

Trade and other payables comprise:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Trade creditors	2,425	1,573	72	65
Anumso license accrual	369	–	–	–
Accrued liabilities	5,741	4,504	–	–
Invoice financing creditor	6,910	1,388	41	119
Total trade and other payables	**15,445**	**7,465**	**113**	**184**

20. Financial assets

Carrying amount of financial assets by category

	Designated at fair value through profit or loss	At amortised cost	Total
Year ended 30 June 2021 - Group			
Receivable on Kilimapesa sale (Note 7)	–	664	664
Other loans and receivables (Note 8)	636	–	636
Trade and other receivables excluding non-financial assets (Note 11)	–	13,003	13,003
Cash and cash equivalents (Note 12)	–	3,459	3,459
	636	**17,126**	**17,762**

21. Revenue

Revenue comprises:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Sale of precious metals - Recovery operations	34,855	24,495	–	–
Processing fees charged to customers	545	314	413	319
Total revenue	**35,400**	**24,809**	**413**	**319**

22. Employee benefits expense

Employee benefits expense comprises:

Figures in £'000	Group 2021	Group 2020
Wages and salaries	3 938	3,038
Performance based payments	257	233
National insurance and unemployment fund	19	16
Skills development levy	29	27
Medical aid contributions	31	43
Group life contributions	61	39
Provident funds	61	50
The average number of employees (including directors) during the period was:		
Directors	7	7
Administrative personnel	22	19
Production personnel	342	292
	371	**318**

Notes to the Consolidated and Separate Financial Statements
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Directors emoluments	Executive	Non-executive	Total
2021			
Wages and salaries	407		407
Fees		103	103
Other benefits	9		9
Total	**416**	**103**	**519**
2020			
Wages and salaries	404		404
Fees		83	83
Other benefits	10		10
Total	**414**	**83**	**497**

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

	2021	2020
Emoluments for qualifying services	168	164

23. Expenses by Nature

Expenses by nature	2021	2020
Employee benefit expense	4,396	3,446
Depreciation expense	518	874
Auditor's remuneration		
- Audit of parent and consolidation	94	57
- Audit of subsidiaries	40	35
Impairment	–	295
Directors' remuneration	519	497
Loss on disposal of property, plant and equipment	11	6

24. Finance income

Finance income comprises:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Interest received	–	26	–	–
Dividends received	–	–	107	–
Foreign exchange gain	–	1,041	–	–
Total finance income	**–**	**1,067**	**107**	**–**

25. Finance costs

Finance costs included in profit or loss:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Bank overdraft and creditors	235	275	–	–
Interest on finance leases	21	10	–	–
Interest expense on borrowings	110	125	–	–
Foreign exchange movement	543	326	8	9
Total finance costs	**909**	**736**	**8**	**9**

26. Income tax expense - continuing operations

26.1 Income tax recognised in profit or loss:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Current tax				
Current year	1,006	1,562	–	–
Foreign withholding tax - Current	80	226	5	–
Total current tax	**1,086**	**1,788**	**5**	**–**
Deferred tax				
Originating and reversing temporary differences	(10)	573	–	–
Deferred tax rate adjustment	(173)	–	–	–
Total deferred tax	**(183)**	**573**	**–**	**–**
Total income tax expense from continuing operations	**903**	**2,361**	**5**	**–**

26.2 The income tax for the year can be reconciled to the accounting profit / (loss) as follows:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Profit / (loss) before tax from continuing operations	3,652	5,666	(3,535)	24
Income tax calculated at 19.0%	694	1,077	(672)	5
Tax effect of				
Expenses not deductible for tax purposes	22	6	–	–
Effect of higher tax levied on overseas subsidiaries	30	641	–	–
Tax losses incurred during period by overseas subsidiaries for which no deferred tax asset recognised	233	294	–	–
Adjustment to prior period tax rate	(174)	117	–	–
Secondary tax on dividends paid from South Africa	80	226	–	–
Under provision for provisional tax	18	–	–	–
Tax charge	**903**	**2,361**	**(672)**	**5**

27. Earnings per share

27.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Earnings used in the calculation of basic earnings per share for continuing operations	**2,249**	**2,133**	**(3,540)**	**24**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	169,774	167,441	–	–

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27.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Earnings used in the calculation of basic earnings per share for continuing operations	2,249	2,133	(3,540)	24
Earnings used in the calculation of basic earnings per share from discontinuing operations	(570)	(5,270)	–	–
The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:				
Weighted average number of ordinary shares used in the calculation of basic earnings per share	169,774	167,441	–	–
Adjusted for – Dilutive effect of share options	787	3,120	–	–
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**170,561**	**170,561**	**–**	**–**

28. Segment information

28.1 General information

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.

- South African Recovery operations. Includes the recovery of precious metals from metallurgical challenging materials and the processing of ore, sourced from other mining operations in South Africa. These products often represent an environmental challenge to the primary producer and are processed in a responsible manner by the company.
- West African Recovery Operations. Includes the recovery of precious metals from metallurgical challenging materials and the processing of ore, sourced from other mining operations in South Africa and Burkina Faso. The operations in Burkina Faso have been discontinued during the period. 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. During the period the assets under this segment has been classified as discontinued operations.
- 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. 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.

28.2 Segment revenues

	Total segment revenue
Year ended 30 June 2021	
South African Recovery Operations	17,622
West African Recovery Operations	17,778
Group revenue	**35,400**
Year ended 30 June 2020	
South African Recovery Operations	15,900
West African Recovery Operations	8,909
Group revenue	**24,809**

28.3 Other incomes and expenses

Figures in £'000	Depreciation for continued operations	Finance cost for continued operations	Finance income for continued operations	Reportable segment profit/(loss) before tax for continued operations	Taxation	Discontinued operations
Year ended 30 June 2021						
South African Recovery Operations	(379)	(991)	125	2,358	(435)	–
West African Recovery Operations	(140)	(193)	–	2,122	(383)	–
Mining and Exploration	–	–	–	–	–	(570)
Administration	–	114	41	(3,987)	(85)	–
Reconciliation to group figures	–	161	(166)	3,159	–	–
Total other incomes and expenses	**(519)**	**(909)**	**–**	**3,652**	**(903)**	**(570)**
Year ended 30 June 2020						
South African Recovery Operations	(430)	(189)	1,092	6,526	(2,018)	–
West African Recovery Operations	(150)	(480)	12	(39)	(117)	–
Mining and Exploration	–	–	–	–	–	(4,303)
Administration	–	(313)	56	(952)	(226)	(967)
Reconciliation to group figures	–	246	(93)	131	–	–
Total other incomes and expenses	**(580)**	**(736)**	**1,067**	**5,666**	**(2,361)**	**(5,270)**

28.4 Assets and liabilities

	Segment total assets	Segment total liabilities
Year ended 30 June 2021		
South African Recovery Operations	21,076	7,135
West African Recovery Operations	10,111	9,813
Administration	21,127	367
Reconciliation to group figures	(16,312)	273
Total assets and liabilities	**36,002**	**17,588**
Year ended 30 June 2020		
South African Recovery Operations	17,262	5,513
West African Recovery Operations	5,790	5,478
Mining and Exploration	3,582	1,651
Administration	36,168	10,285
Reconciliation to group figures	(35,589)	(10,830)
Total assets and liabilities	**27,213**	**12,097**

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29. Contingent liabilities and commitments

29.1 Ghana tax

The Ghana Revenue Authority (GRA) has conducted an audit on the company for the years 2014 to 2018 and is provisionally claiming a remaining GHS5,670,303.99 (GBP723,253) as a result of their review. We have objected this preliminary assessment and have resolved a number of issues but have not been able to get closure on the matter neither have we received a final assessment. We have been engaging with the GRA through our auditor and other legal/tax advisers. At the time of this report we are satisfied that we have accounted for and accrued all taxation liabilities for which the company is liable.

29.2 Low value leases

Low value leases not recognised under IFRS 16 amounted to GBP6,000 for the financial period.

30. Related parties

Other related parties

Entity name	Holding	
Gold Mineral Resources Limited	100%	Direct
Goldplat Recovery (Pty) Ltd	74%	Direct
Goldplat Ghana Limited	100%	Direct
Anumso Gold Limited	100%	Direct
Nyieme Gold SARL	100%	Direct
Midas Gold SARL	100%	Direct
Gold Recovery Brasil Recuperacao	100%	Indirect
Gold Recovery Peru SAC	100%	Indirect
GRG Tolling Ltd	100%	Indirect

Major inter-company transactions

	Nature of transaction	2021	2020
Goldplat Recovery to Gold Recovery Ghana	Goods, equipment and services supplied	332	103
Goldplat Recovery to Gold Mineral Resources	Goods, equipment and services supplied	136	45
Goldplat Recovery to Gold Mineral Resources	Interest received	(125)	(166)
Goldplat Recovery to NMT Capital	Management fees	4	25
Goldplat Recovery to NMT Group	Managements fees	9	12
Goldplat Plc to Gold Mineral Resources	Management fees	413	322
Goldplat Plc	Directors	98	83

Related Party Transactions with Mr Sango Ntsaluba

Subsequent to the year-end, the directors decided to increase the Group's interest in GPL, its principal operating subsidiary, from 74% to 90.63% through the buy-back by GPL of GPL shares from its minority shareholders. GPL has issued 4.90% shares in GPL (after the share repurchase) to Aurelian, a company controlled by Mr Sango Ntsaluba, in order to maintain a BEE partner in GPL and to reduce the cost to the Group of the share repurchase transaction.

After the completion of above transactions and cancellation of the repurchased shares, the Group held 90.63% of GPL (an increase of 16.63%), Amabubesi held 4.47% and Aurelian 4.90%. Subsequent to above, Amabubesi's remaining shares were repurchased and shares to the same amount and value issued to Aurelian. Aurelian is therefore the only minority partner in South Africa and holds 9.37% of GPL.

By virtue of their size and because Mr Ntsaluba is both a director of Goldplat and a major shareholder of Amabubesi and Dartingo, both the share repurchases by GPL of 22.33% of shares held by Amabubesi and Dartingo and the subsequent issue by GPL of shares to Aurelian constituted related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors, being the Goldplat board members with the exception of Mr Ntsaluba, consider, having consulted with the Company's Nominated Adviser, Grant Thornton UK LLP, that the terms of the transactions were fair and reasonable insofar as Goldplat's shareholders are concerned.

The details of above transactions is described under the subsequent events note 31.

31. Subsequent events

Share repurchase of minority shareholding in GPL

The directors decided after the period end, 20 July 2021, to increase the Group's interest in GPL, its principal operating subsidiary, from 74% to 90.63% through the buy-back by GPL of GPL shares from its minority shareholders ("the Transaction").

GPL had two minority shareholders, Amabubesi Property Holdings Proprietary Limited ("Amabubesi") and Dartingo Trading 161 Proprietary Limited ("Dartingo"), who respectively held an 11% and a 15% interest in GPL. Following a notification received from the two minority shareholders indicating their intention to dispose of their shareholdings, GPL did agree to repurchase all of the Dartingo shareholding and 7.33% of the shares held by Amabubesi for ZAR 89.3 million (approximately £4.5 million).

Amabubesi and Dartingo are companies connected with Goldplat's Non-Executive Director, Mr Sango Ntsaluba. Subsequent to the Transaction, GPL issued to Aurelian Capital Proprietary Limited ("Aurelian"), a company associated with Mr Ntsaluba, shares amounting to 4.90% of GPL, at the same valuation as the share repurchase, for ZAR 16 million (approximately £807,000) as described further below. As a result of the Transaction, Goldplat will own 90.63% of GPL and Mr Ntsaluba will own, directly and indirectly, 9.37% of GPL.

The consideration for the repurchased shares of ZAR 89.3 million (approximately £4.5 million) was settled in two instalments. The net cost to GPL of the Transaction was ZAR 73.4 million (approximately £3.7 million), and Goldplat's share of the net cost of the Transaction to GPL was be 90.63%, effectively resulting in its additional 16.63% interest in GPL costing Goldplat ZAR 66.52 million (approximately £3.35 million).

The Transaction valued GPL at ZAR 400 million (approximately £20.2 million).

Funding Arrangements

The Transaction were financed in part through a South African Rand denominated bank facility of ZAR 60 million (approximately £3.02 million) provided by Nedbank, of which 50% was drawn within the 30 days and the remainder in 90 days. The remainder of the consideration was settled through a set-off against the existing Amabubesi vendor loan of ZAR 12.6 million (approximately £635,000) outstanding to the Group with the balance paid in cash.

The principal on the bank facility is repayable monthly over 36 months. The interest payable on the facility will be the South African Prime Rate plus 1.75%.

As a condition of the facility from Nedbank, the Group's facility with Scipion, of £33,000, were settled in full and its securities over GPL will be cancelled. Further to above, GPL did grant security over its debtors as well as a negative pledge over its moveable and any immovable property and a general notarial bond over all movable assets of GPL will be registered. The Group entered into a limited suretyship for ZAR 60 million (approximately £3.02 million), in favour of Nedbank.

Related Party Transactions with Mr Sango Ntsaluba

Conditional on the share repurchase from Amabubesi and Dartingo occurring, GPL has issued 4.90% shares in GPL (after the share repurchase) to Aurelian, a company controlled by Mr Sango Ntsaluba, in order to maintain a BEE partner in GPL and to reduce the cost to the Group of the share repurchase transaction. Aurelian settle the ZAR 16 million (approximately £807,000) consideration as follows:

- ZAR 5 million (approximately £252,000) were settled in cash;
- A further ZAR 5 million (approximately £252,000) will be settled in cash in 180 days; and
- A vendor loan has been granted for a further ZAR 6 million (approximately £302,000), which will be repayable from distributions to be declared by GPL in respect of 1.84% of the shares in GPL held by Aurelian.

After the completion of above transactions and cancellation of the repurchased shares, the Group held 90.63% of GPL (an increase of 16.63%), Amabubesi held 4.47% and Aurelian 4.90%. Subsequent to above, Amabubesi's remaining shares were repurchased and shares to the same amount and value issued to Aurelian. Aurelian is therefore the only minority partner in South Africa and holds 9.37% of GPL.

By virtue of their size and because Mr Ntsaluba is both a director of Goldplat and a major shareholder of Amabubesi and Dartingo, both the share repurchases by GPL of 22.33% of shares held by Amabubesi and Dartingo and the subsequent issue by GPL of shares to Aurelian constituted related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors, being the Goldplat board members with the exception of Mr Ntsaluba, consider, having consulted with the Company's Nominated Adviser, Grant Thornton UK LLP, that the terms of the transactions were fair and reasonable insofar as Goldplat's shareholders are concerned.

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32. Going concern

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

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

During the period the Group we maintained all our suppliers in South Africa and Ghana for by-product material and also increased our footprint in South American market. Further progress has been made in securing additional contracts in West Africa. With the secured supplier base and more than 12 months of surface sources on site or on contract, management believes that it will be in a position to operate sustainably for the foreseeable future.

A reverse stress test indicated that the business, alongside certain mitigating actions which are fully in control of the Directors, would be capable of withstanding approximately a reduction in gross margin of 80% in continued operations. Subsequent to year-end, GPL did enter into a South African Rand denominated bank facility of ZAR 60 million, provided by Nedbank and have drawn ZAR 60 million. As part of assessing the ability of the Group to continue as a going concern, management assessed GPL ability under a reverse stress scenario, to continue to meet all relevant covenants included in the facility over the foreseeable future. Per this, GPL, without assistance from the Group, will need to maintain gross margins of more than 50% of current levels to be in a position to meet all covenants.

The loss of production due to the inability to operate will have a lower impact on gross margin in the short-term as most costs associated with production are variable and should also reduce. In light of current trading and revised forecasts, the Directors have assessed the possible downturn in operating margin and concluded the likelihood of such a reduction to be remote, such that it does not impact the basis of preparation of the financial statements and concluded there is no material uncertainty in this regard.

In reaching this conclusion, the Group also assessed the impact the current Covid-19 pandemic might have on the business. Although operations were required to shut down during the 2020 financial year, the mining industry's classification as an essential service provider has meant that the company continues to operate with limited negative impact on its operations.

This ensured that we are able to source material from our mining suppliers, deliver it to our premises and process it. The essential services classification meant that we are also able to export and sell the products we produce. The Covid-19 pandemic however brought on new challenges to operating our facilities in South Africa and Ghana in a safe way for all our employees and local communities. With the assistance of relevant regulatory authorities, the Directors believe sufficient procedures have been implemented to assist in safeguarding our employees and local communities.

The going concern period reviewed by the directors was the 24 month period to December 2023.

33. 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.

33.1 Market risk

33.1.1 Foreign exchange risk and gold price

Exposure

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

30 June 2021	High	Low	Average
Gold price - USD/oz	2 058	1 330	1 847
Rand/USD exchange rate	17.72	13.48	15.42
GBP / US Dollar exchange rate	1.42	1.24	1.35
GHC / US Dollar exchange rate	5.96	5.69	5.76

30 June 2020	High	Low	Average
Gold price - USD/oz	1 771	1 390	1 560
Rand/USD exchange rate	19.04	13.89	15.66
GBP / US Dollar exchange rate	1.34	1.15	1.26
GHC / US Dollar exchange rate	5.81	5.31	5.86

Sensitivity analysis	High case scenario	Low case scenario
30 June 2021		
Gold price - USD/oz	2,058	1,330
Equivalent Rand price per kilogram	1172 615	576 307
Equivalent GHC price per kilogram	394 346	243 273
Equivalent GBP price per kilogram	46 560	34 523
30 June 2020		
Gold price - USD/oz	1,771	1,390
Equivalent Rand price per kilogram	1084 058	620 511
Equivalent GHC price per kilogram	330 820	237 049
Equivalent GBP price per kilogram	42 520	38 688

The group's sensitivity to market risk

30 June 2021	High case scenario	Low case scenario
Effect on the results and equity for the year based on these assumptions would have been:		
- Gold Recovery Ghana Limited	1 126	(2 309)
- Goldplat Recovery (Pty) Limited	3 921	(5 195)

30 June 2020	High case scenario	Low case scenario
Effect on the results and equity for the year based on these assumptions would have been:		
- Gold Recovery Ghana Limited	1 803	(1 455)
- Goldplat Recovery (Pty) Limited	6 041	(3 341)

33.2 Credit risk

Credit risk is the risk of financial loss to the Group or Company if a customer, counterparty to a financial instrument or counterparty to the sale of subsidiary 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. All bank balances are held by reputable banks.

33.2.1 Impairment of financial assets

The group has four types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory
- financial assets relating to the sale of Kilimapesa Gold (Pty) Ltd
- debt investments carried at amortised cost, and

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

33.3 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.

Notes to the Consolidated and Separate Financial Statements
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34. Cash flows from operating activities

Figures in £'000	Group 2021	Group 2020	Company 2021	Company 2020
Profit / (loss) for the year	**2,179**	**(1,965)**	**(3,540)**	**24**
Adjustments for:				
Income tax expense	903	2,361	5	–
Finance income	–	(1,237)	(107)	–
Finance costs	909	906	8	
Depreciation	518	874	–	–
Impairment of property, plant and equipment	–	151	–	–
Impairment of intangible assets	–	1,112	–	–
Impairment of JV	–	594	–	–
Amortisation of right of use assets	59	85	–	–
Amortisation	–	232	–	–
Provisions	85	(84)	–	–
Loss on sale of property, plant and equipment	11	6	–	–
Loss on sale of discontinued operation	186	2,218	–	–
Foreign exchange net loss/(gain)	894	(767)	–	–
Share-based payments	–	22	3,657	–
Change in operating assets and liabilities:				
Adjustments for increase in inventories	(2,001)	(1,226)	–	–
Adjustments for (increase) / decrease in trade accounts receivable	(7,446)	2,598	(15)	12
Adjustments for increase / (decrease) in trade accounts payable	7,980	(1,106)	(81)	(7)
Net cash flows from operations	**4,277**	**4,774**	**(73)**	**29**

General Information

Company Number	05340664
Directors	Werner Klingenberg Nigel Patrick Gordon Wyatt Sango Ntsaluba Gerard Kisbey-Green Martin Ooi Matthew Seymour Robinson
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Auditors	BDO LLP 55 Baker Street London W1U 7EU
Company Secretary	Stephen Ronaldson Salisbury House, London Wall, London EC2M 5PS United Kingdom
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
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Notes

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