

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2010

	Six months ended December 2010 (unaudited) £'000	Six months ended December 2009 (unaudited) £'000	Year ended 30 June 2010 (audited) £'000
Revenue from precious metals	9,652	5,436	10,663
Cost of Sales	(7,726)	(3,769)	(7,147)
Gross profit	1,926	1,667	3,516
Administrative expenses	(491)	(442)	(1,457)
Operating profit before finance costs	1,435	1,225	2,059
Finance income	65	113	212
Finance expense	(142)	(184)	(328)
Profit before tax	1,358	1,154	1,943
Income tax expense	(215)	(391)	(713)
Profit for the period	1,143	763	1,230
Exchange translation	375	350	496
Total comprehensive income	1,518	1,113	1,726
Attributable to:			
Shareholder of Goldplat plc	1,400	991	1,534
Non-controlling interests	118	122	192
Earnings per share			
Basic	1.02p	0.68p	1.10p
Diluted	0.90p	0.60p	0.96p

GROUP BALANCE SHEETS

As at 31 December 2010

	As at 31 December 2010 (unaudited) £'000	As at 31 December 2009 (unaudited) £'000	As at 30 June 2010 (audited) £'000
Assets			
Non-current assets			
Property, plant and equipment	3,927	3,196	3,589
Pre production expenditure	1,856	1,241	1,552
Goodwill	5,745	5,763	5,745
Due on sale of shares in subsidiary	408	444	390
	11,936	10,644	11,276
Current assets			
Inventories	3,208	2,332	3,825
Trade and other receivables	3,776	2,598	1,866
Cash and cash equivalents	6,464	1,048	1,018
	13,448	5,978	6,709
Total assets	25,384	16,622	17,985

Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	1,671	1,121	1,121
Share premium	11,401	6,772	6,772
Retained earnings	5,814	4,174	4,738
Exchange reserves	686	165	311
Shareholders' equity	19,572	12,232	12,942
Minority interests	566	470	475
Total equity	20,138	12,702	13,417
Non-current liabilities			
Provisions	202	162	180
Obligations under finance leases	57	-	100
Deferred tax liabilities	442	364	444
	701	526	724
Current liabilities			
Trade and other payables	4,157	2,896	3,462
Obligations under finance leases	116	-	107
Taxation	272	498	275
	4,545	3,394	3,844
Total equity and liabilities	25,384	16,622	17,985

GROUP STATEMENTS OF CHANGES IN EQUITY

for the period ended 31 December 2010

	Share capital £'000	Share premium £'000	Retained income £'000	Exchange reserves £'000	Minority interests £'000	Total £'000
Balance at 30 June 2009	1,121	6,772	3,414	(185)	420	11,542
Comprehensive income for the year	-	-	1,038	496	192	1,726
Minority interest in subsidiary dividend	-	-	-	-	(137)	(137)
Treasury shares	-	-	49	-	-	49
Share incentive scheme reserve	-	-	237	-	-	237
Balance at 30 June 2010	1,121	6,772	4,738	311	475	13,417
Issue of share capital	550	4,950	-	-	-	5,500
Costs associated with the issue of share capital	-	(321)	-	-	-	(321)
Comprehensive Income for the period	-	-	1,025	375	118	1,518
Minority interest in subsidiary dividend	-	-	-	-	(27)	(27)
Share incentive scheme reserve	-	-	51	-	-	51
Balance at 31 December 2010	1,671	11,401	5,814	686	566	20,138

Six months ended December 2010 (unaudited)	Six months ended December 2009 (unaudited)	Year ended 30 June 2010 (audited)
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	£'000	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	1,025	477	1,431
Financing income	65	113	212
Financing costs	(142)	(184)	(316)
Taxation paid	(311)	(268)	(617)
Net cash flows from operating activities	637	138	710
Cash flows from investing activities			
Purchase of shares in subsidiary undertaking	-		(83)
Proceeds from sale of property, plant and equipment	-	10	10
Acquisition of property, plant and equipment			
- Additions to expand operations	(281)	(509)	(984)
- Pre production expenditure	(309)	(310)	(638)
Net cash outflow from investing activities	(590)	(809)	(1,695)
Cash flows from financing activities			
Proceeds from issue of shares	5,500		-
Purchase of treasury shares	-		49
Proceeds received on shares sold in subsidiary	27	69	82
Proceeds paid on acquisition of shares in Kilimapesa		(730)	
Loans repaid	-		(647)
Finance leases (repaid) / raised	(54)		207
Net cash from financing activities	5,473	(661)	(309)
Net increase / (decrease) in cash and cash equivalents	5,520	(1,332)	(1,294)
Cash and cash equivalents at beginning of period	1,018	2,198	2,198
Effect of exchange rate fluctuations on monetary assets	(74)	182	114
Cash and cash equivalents at end of period	6,464	1,048	1,018

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2010

1. Accounting policies

a) Presentation of financial information

The consolidated financial statements are presented in pounds sterling, which is considered by the Directors to be the most appropriate presentation currency. The majority of the group transactions are undertaken in South African Rand although all sale prices are denominated in US\$.

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

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

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

b) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

c) New standards and interpretation

At the date of authorisation of these financial statements, there were International Financial Reporting Standards and Interpretations that were in issue but not yet effective, which have not been applied in preparing these financial statements.

The Directors anticipate that the adoption of these Standards and Interpretations in future years will have no impact on the financial statements except for additional disclosures when the relevant Standards and Interpretations come into effect.

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) as at the reporting date. Control is achieved where the Company has the power to govern the financial and operating policies of a subsidiary. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

e) Goodwill

The acquisition method of accounting is used to account for the purchase of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, irrespective of the extent of minority interests, are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is accounted for directly in the income statement of comprehensive income. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

f) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of the mining assets includes the costs of dismantling and removing the items and restoring the site on which they are located.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the consolidated income statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

• Leasehold land	Lease period
• Buildings	20 years
• Plant and equipment	10 years
• Motor vehicles	5 years
• Office equipment	6 years
• Spare parts	10 years
• Environmental assets	Life of mine
• Pre production expenditure	10 years from date of commencement of production

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

g) Leases

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

h) Inventories

Consumable stores and raw materials are valued at the lower of cost and net realisable value on the weighted average basis, and include costs incurred in acquiring the inventories and 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.

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

i) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, 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.

j) Taxation

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

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

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

2. Earnings per share

The calculation of earnings per ordinary share is based on the following:

	December 2010
	£'000
Earnings for the purpose of earnings per share - basic	1,143
- diluted	1,151
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	Number of shares
Weighted average number of common shares in issue during the year	112,418,913
Effect of dilutive options	16,173,750
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Weighted average number of common shares in issue during the year for the purpose of diluted earnings per share	128,592,663

3. Share based payments

	Number of options	Exercise Price	Number of options	Exercise Price
	December 2010	December 2010	June 2010	June 2010
Share options				
Outstanding at 1 July	17,200,000	10p	17,200,000	10p
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	750,000	7.5p	750,000	7.5p

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The fair value of these share options was calculated at the date of issue independently using the Black Scholes Model using the following assumptions:

Risk free interest rate	2.93%
Expected volatility	55%
Expected dividend yield	0%
Life of the option	3.5 years

The weighted average remaining contractual life of the options outstanding at the balance sheet date is 2 years 322 days.

The expected volatility has been calculated based on the quoted price of the company's shares over the period from July 2006 to December 2008.

	Six months ended	Year ended
	December 2010	30 June 2010
	(unaudited)	(audited)
	£'000	£'000
4. Trade and other receivables		
Trade receivables	3,204	1,339
Other receivables	572	527
	<u>3,776</u>	<u>1,866</u>

5. Share capital

	December 2010	December 2010	June 2010	June 2010
	£'000	No of shares	£'000	No of shares
Authorised				
Ordinary shares of 1p	10,000	1,000,000,000	10,000	1,000,000,000
Issued and fully paid				
Balance at 30 June 2010	1,121	112,120,000	1,121	112,120,000
Issued 31 December 2010	550	55,000,000	-	-
Ordinary shares of 1p	<u>1,671</u>	<u>167,120,000</u>	1,121	112,120,000

On 31 December 2010 the Company issued 55,000,000 ordinary shares for cash consideration of 10p per share.

	Six months ended	Year ended
	December 2010	30 June 2010
	(unaudited)	(audited)
	£'000	£'000
6. Trade and other payables		
Trade creditors	1,300	1,223
Accruals	1,545	1,243
Due on purchase of share in subsidiary	970	996
Costs due on issue of shares	342	-
	<u>4 157</u>	<u>3,462</u>
7. Intangible assets		
Balance at 1 July	5,745	4,778
Acquisition of 50% in subsidiary undertaking	-	967
	<u>5,745</u>	<u>5,745</u>

8. Notes to the cash flow statement

Cash generated by operations

Operating income before interest and taxation	1,435	2,059
Adjustments for:		
Depreciation of property, plant and equipment	137	233
Loss on disposal of property, plant and equipment	-	5
Share incentive scheme charged to income statement	51	237
Operating income before working capital changes	<u>1,623</u>	<u>2,534</u>
Decrease / (Increase) in inventories	617	(2,352)
(Increase) / Decrease in trade and other receivables	(1,910)	146
Increase in trade and other payables	721	995
Effect of exchange rate on payables	(26)	108
	<u>1,025</u>	<u>1,431</u>

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