Goldplat plc / Ticker: GDP / Index: AIM / Sector: Mining & Exploration

5 March 2012

Goldplat plc ('Goldplat' or 'the Company')
Interim Results

Goldplat plc, the AIM listed gold producer, is pleased to announce its interim results for the six months ended 31 December 2011.

Overview

- 74% increase in profit before tax to £2.37 million for the six months to 31 December 2011 (2010: £1.36 million)
- 40% increase in operating profit to £2 million for the six months to 31 December 2011 (2010: £1.44 million)
- Net cash position of £4.6 million as at 31 December 2011
- Gold mining and development portfolio in Kenya, Ghana and Burkina Faso advancing – aim to have delineated in excess of 1 million ounces of gold resources in 2012
    - Kilimapesa Gold in Kenya poured its first gold in January 2012 - target of increasing gold production to a rate of 10,000 ounces per annum within the mine's first year of operation
    - Anumso Gold Project in Ghana - 4,800 metre drilling programme underway aimed at converting and increasing the historic non-JORC gold resource of 262,107 ounces of gold to a JORC compliant status
    - Nyieme Gold Project in Burkina Faso - planning work programme to target additional areas of economic potential following completion of resource drilling programme in 2011
- Gold recovery operations in South Africa and Ghana production up 10.74% for six months ended 31 December 2011 to 15,404 ounces of gold (2011: 13,910 ounces)
- South Africa:
    - Increased milling capacity and installing a fluidised bed incinerator to increase ability to bid for fine carbon contracts
    - Agreement signed with Central Rand Gold aimed at recommencing gold mining of two historic gold sites in return for a 5% net smelter royalty
- Ghana:
    - Marked increase in by-products received for processing through existing contracts with Goldfield, AngloGold and Golden Star Resources
    - Toll processing operation with Adamus Resources performing well
    - Advanced negotiations with other mining companies regarding acquiring further processing by-products for gold recovery from Burkina Faso and Mali - if completed would positively impact profitability

Goldplat CEO Demetri Manolis said, "I am delighted to report a 74% increase in our profit before tax for H1 2012 which saw gold production from our two gold recovery businesses in South Africa and Ghana at a record high for six months of 15,404 ounces of gold. We expect to see this trend continue for the second half of the financial year and to significantly exceed FY 2011 gold production of 28,285 ounces with the commencement of gold production in January 2012 at our first gold mining operation, Kilimapesa Gold in Kenya contributing to this. In turn, we have two gold mining development projects in Ghana and Burkina

Faso which are undergoing resource drilling expansion programmes with a view to moving into gold production in the future.

"With three successful gold producing operations, resource upgrade programmes underway to delineate in excess of 1 million ounces of resources this year across our portfolio, and a strong treasury to support future opportunistic project acquisitions, we look forward to a highly exciting second half of the year and beyond."

Chairman's Statement

It gives me great pleasure to report on the excellent progress Goldplat has made, continuing to build itself as a cash generative, profitable, debt free gold producer and mine development company focussed in Africa. With a solid portfolio consisting of a newly producing gold mine in Kenya, brownfield gold exploration and development projects in Ghana and Burkina Faso with near term resource upgrade and production potential, as well as two gold recovery operations in South Africa and Ghana, we are well placed to enjoy steady growth throughout the remainder of the financial year and beyond.

Post period end, in January 2012 we poured our first gold at our Kilimapesa mining project in Kenya. We anticipate gold production at Kilimapesa to increase, which, in tandem with strong performances from our gold recovery businesses, should see the Company easily exceed last years total production of 28,185 ounces gold for the full year to end June 2012.

Whilst building profits and revenues remain a key objective for the Company, the exploration, resource delineation and development of brownfield projects, typically high grade vein systems, is equally important as we strive to create a mid tier, African gold producer. With this in mind, resource drilling is underway at Kilimapesa and at our two mining development projects in Burkina Faso and Ghana, with the aim of delineating in excess of 1 million ounces of resources this year and moving the latter two projects towards production.

Financials

The profit before tax for the six months to 31 December 2011 increased by 74% £2.37 million (2011: £1.36 million) as a result of increasing efficiency at our gold recovery operations in South Africa and Ghana as well as the favourable gold price environment. This is also partly due to currency changes reflected in Finance Income and Costs. Nevertheless, operating profits increased by 40% to £2 million (2010: £1.44 million), and for the first time the profits earned in Ghana exceeded those earned in South Africa.

The tax charge increased as a percentage of profits, due to the secondary tax charge on dividends paid from South Africa, but despite this the Profit for the Period, stated after tax, increased by 69% to £1.93 million (2010: £1.14 million).

The Group has a strong cash balance, which, at 31 December 2011, stood at £4.6 million, an increase of almost £1.5 million during the half year. With Kilimapesa Gold now producing and selling gold we expect a further improvement in the cash position in the second half year, despite the capital expenditure on our exploration assets and the expansion of the Kilimapesa mine.

It is not our intention to seek additional equity capital to advance existing operations.

Mining and Development

Kilimapesa Gold - Kenya

Kilimapesa is a wholly owned, high grade vein mine, located in the historically productive Migori Archaean Greenstone Belt in western Kenya. Having received a 21 year Mining Lease in November 2011, notably the first gold project to be given a mining licence in the country since its independence in 1963, we quickly completed the construction and commissioning of the elution plant to enable Kilimapesa to smelt and produce gold bullion on site on an ongoing basis. Production of gold bullion commenced in January 2012 and continues on a regular basis. The bullion is sold to Rand Refinery Limited in South Africa.

Planning has started on a self-financing expansion programme in preparation for scaled up mining and processing operations at Kilimapesa, with a target of increasing gold production to a rate of 10,000 ounces per annum within the mine's first year of operation. To aid this programme, a 500 Kva generator has been purchased to act as a power supply back-up in the case of grid power outages.

Kilimapesa currently has a JORC-compliant resource of 1.65Mt at 2.44 g/t gold for 129,000 ounces of gold at a cut-off grade of 1 g/t of gold for all categories; however Goldplat aims to increase this towards the 500,000 ounce mark through further exploration of other targets within the licence area.

At the Vim/Rutha and Red Ray target areas, which are 2 km south of Kilimapesa Hill where the maiden resource was defined, 21 holes for a total of 921 metres and 13 holes drilled for a total of 650 metres have been drilled at each target respectively. Assay results to date have been very encouraging highlighting the economic potential of these new areas. A full listing of the results is expected to be announced soon.

We have also started an additional five-hole drilling programme at the Kilimapesa Hill target with 890 metres drilled at the time of this announcement. This programme is designed to expand the Kilimapesa Hill ore resource beyond the current underground development both along strike and at depth.

Underground development has continued to progress well with an exposed and sampled combined strike length over the two main auriferous quartz veins of 425 metres. Selected rock chip sampling stretch values include 13.55 g/t over an average width of 1.27 metres across 54 metres of strike and 8.65 g/t over an average width of 1.50 metres over a strike of 57 metres. This database is currently being updated for a further ore resource statement to be released in Q2 2012.

Work has also commenced on the new Adit D, which lies 60 metres vertically below Adit B, with the portal now under construction. The ensuing development will contribute significantly to the expansion of the ore resource at Kilimapesa Hill as well as allow for much increased mining tonnages.

Anumso Gold Exploration (previously the Banka Gold Project) – Ghana – 90% interest

The 29 sq km Anumso Gold Exploration licence is located in the highly prospective Amansie East and Asante Akim South Districts of the Ashanti Region of the Republic of Ghana, 10 km southwest of Newmont's 14 million oz Akyem gold deposit. It has a current initial non-JORC compliant resource of

262,107 ounces of gold to a depth of 100 metres but there is significant potential to upgrade this and increase the resource with infill drilling and increase the depth of drilling to 250 metres.

A drilling exploration programme commenced on 22 November 2011 aimed at converting and raising the existing gold resource to a JORC compliant status, and developing the project in the mid-term into a profitable mining operation. At the time of this announcement, 31 holes have been completed for a total of 5,100 metres. The continuation of mineralised Tarkwaian conglomerates has been confirmed, underlining the prospectivity of the project.

We see this project as likely to provide our next mine and our aim is to complete a Bankable Feasibility Study.

Nyieme Licence - Burkina Faso

The 246 sq km Nyieme project is located in the prospective Birimian Greenstone Belt in southern Burkina Faso, West Africa. A 3,100 metre drilling programme was undertaken in 2011, which defined a resource of 1,395,000 tonnes at 2.06g/t gold for 92,589 ounces. This focussed on the Nyieme Village high grade zone, which was extended at depth and to the north. Multiple additional anomalous zones were identified up to 15m thick. Additionally, four newly discovered mineralised zones were identified in the A1 zone, 1.5 km south of the Nyieme Village Zone.

Goldplat is now constructing a work programme to target additional areas of economic potential. This will include drill testing the northerly extension of the Nyieme Village Zone, the gap between the Nyieme Village Zone and the A1 Zone, and the four zones at the A1 Zone, which remain open to the north and south. It also aims to drill test the depth extensions of the zones at A1 Zone, investigate the D Zone for a possible new zone and drill artisanal workings located 3 km to the south of the A1 Zone. Further exploration work will be conducted on the extension of considerable artisanal workings immediately south of the Nyieme Licence as well as other targets that were highlighted after the initial early 2011 soil sampling programme.

We are also in discussions with other licence holders within the Nyieme project vicinity regarding joint venture and consolidation opportunities to increase our geographic footprint in the country.

Gold Recovery Operations

South Africa and Ghana

Our gold recovery operations in South Africa and Ghana have performed well, and during the period we produced a total of 15,404 ounces of gold (2011: 13,910 ounces), with 7,040 ounces of gold attributed from our South Africa recovery operations and 8,364 ounces of gold from our Ghanaian recovery operations, resulting in a 40% increase in operating profit to £2 million (2011: £1.44 million). These businesses, which should run for as long as gold is mined in South Africa and Ghana, have played a key role in the development of the Company, providing the capital to advance our other mining projects without turning to other funding options.

Maintaining each plant's operational efficiency and profitability remains a key focus. To this end, in South Africa, we commissioned a high grade mill to increase milling capacity, which has been performing solidly, and we are currently installing a fluidised bed incinerator to increase our ability to bid for fine carbon contracts from other mining companies and assist in reducing some of our stocks of gold bearing material.

The procurement of new gold bearing materials from gold mining companies is on-going and our stocks of raw material remain stable.

Post period end, we are pleased to have signed an agreement with Central Rand Gold, aimed at recommencing gold mining at the Crown East and CMR Bird Reef mines in the West Rand area near Johannesburg. Subject to due diligence, Goldplat will have the rights to arrange mining of the two sites in return for a 5% net smelter royalty. It is envisaged that the ore from the two sites will be processed at our South African gold recovery operations.

In Ghana, we have seen a marked increase in by-products received for processing through existing contracts with Goldfield Limited, AngloGold Ashanti Limited and Golden Star Resources Limited and we are in advanced negotiations with other mining companies regarding acquiring gold bearing by-products from Burkina Faso and Mali. Additionally, our toll processing operation with Adamus Resources is performing well.

Goldplat is also accessing a longer term project to reprocess tailings from our recovery operation in South Africa. The Group has significant reserves of coarse material that has been screened out of purchased material prior to processing. We are investigating the crushing and screening of this material to provide a viable grade fine fraction that can be processed for gold recovery and the coarse fraction for sale. A feasibility study is in progress with samples having been submitted to mining consultants SGS for evaluation. If the project is commissioned the Company believes it would have a significant impact on the profitability of Goldplat Recovery.

Following the success of these operations, we are investigating the feasibility of setting up a processing unit in Burkina Faso and potentially Mali and are therefore reviewing potential plant designs and equipment.

Outlook

In the short term, profitability of the Group is being enhanced by the commencement of gold sales from Kilimapesa in Kenya, and the results for the second half of the current financial year will include a contribution from Kilimapesa for the first time.

In the longer term the Company's solid portfolio of production and development projects within Africa provide excellent opportunities for organic expansion and its continued strong financial position means it is well placed to progress with all of these opportunities. Market fundamentals also remain positive with gold seen as a safe haven in times of economic crisis and geopolitical turmoil.

On behalf of the Board I would like thank our management and employees for their hard work and our shareholders for their continued support.

The Directors will continue to work diligently to create value to the Company.

I look forward to updating you on our developments as we progress during the year.

Brian Moritz
Chairman

For further information visit www.goldplat.com or contact:

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Revenue	**5**	11,183	9,652	19,620
Cost of sales		(8,559)	(7,726)	(15,239)
Gross profit		2,624	1,926	4,381
Administrative expenses		(621)	(491)	(1,327)
Operating profit		2,003	1,435	3,054
Exceptional gain		-	-	425
Finance income		605	65	68
Finance costs		(242)	(142)	(119)
Profit before tax		2,366	1,358	3,428
Taxation	**6**	(436)	(215)	(472)
Profit for the period		1,930	1,143	2,956
Exchange translation		(701)	375	(128)
Total comprehensive income		1,229	1,518	2,828
Attributable to:				
Shareholders of Goldplat plc		1,127	1,400	2,600
Non-controlling interests		102	118	228
		1,229	1,518	2,828
Earnings per share				
Basic (pence)	**7**	1.15p	1.02p	2.12p
Diluted (pence)	**7**	1.06p	0.90p	1.90p

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 Dec 11 (unaudited) £'000	31 Dec 10 (unaudited) £'000	30 Jun 11 (audited) £'000
Assets				
Non-current assets				
Property, plant and equipment	**8**	4,763	3,927	3,903
Pre-production expenditure	**9**	3,677	1,856	2,748
Intangible assets	**10**	6,859	5,745	6,920
Proceeds from sale of shares in subsidiary	**11**	225	408	383
		15,524	11,936	13,954
Current assets				
Inventories	**12**	3,832	3,208	3,367
Trade and other receivables	**13**	4,018	3,776	6,584

Cash and cash equivalents		4,620	6,464	3,127
		12,470	13,448	13,078
Total assets		27,994	25,384	27,032
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	**14**	1,671	1,671	1,671
Share premium	**14**	11,401	11,401	11,401
Retained earnings		9,396	5,814	7,568
Exchange reserves		(518)	686	183
Shareholders' equity		21,950	19,572	20,823
Non-controlling interests		665	566	676
Total equity		22,615	20,138	21,499
Non-current liabilities				
Provisions	**15**	186	202	220
Obligations under finance leases	**16**	65	57	62
Deferred taxation		457	442	457
		708	701	739
Current liabilities				
Trade and other payables	**17**	4,396	4,157	4,477
Obligations under finance leases	**16**	136	116	157
Taxation		90	272	43
Loans and borrowings	**18**	49	-	117
		4,671	4,545	4,794
Total equity and liabilities		27,994	25,384	27,032

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	**Share premium £'000**	**Retained earnings £'000**	**Exchange reserves £'000**	**Total attributable to equity holders of the Company £'000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 1 July 2010 (audited)	1,121	6,772	4,738	311	12,942	475	13,417
Comprehensive income for the period	-	-	1,025	375	1,400	118	1,518
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(27)	(27)
Issue of shares	550	4,950	-	-	5,500	-	5,500
Costs of share issue	-	(321)	-	-	(321)	-	(321)
Share incentive scheme reserve	-	-	51	-	51	-	51
Balance at 1 January 2010 (unaudited)	1,671	11,401	7,568	183	20,823	676	21,499
Comprehensive income for							

the period	-	-	1,703	(503)	1,200	110	1,310
Issue of shares							
Costs of share issue	-	(49)	-	-	(49)	-	(49)
Settled by issue of warrants	-	49	-	-	49	-	49
Share incentive scheme reserve	-	-	51	-	51	-	51
Balance at 1 July 2011 (audited)	1,671	11,401	7,568	183	20,823	676	21,499
Comprehensive income for the period	-	-	18,28	(701)	1,127	102	1,229
Non-controlling interests in subsidiary dividend	-	-	-	-	-	(113)	(113)
Share incentive scheme reserve	-	-	-	-	-	-	-
Balance at 31 December 2011 (unaudited)	1,671	11,401	9,396	(518)	21,950	665	22,615

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Cash flows from operating activities				
Cash generated from operations	**20.1**	4,194	1,025	777
Financing income		605	65	68
Financing expense	**20.2**	(234)	(142)	(105)
Taxation paid		(646)	(311)	(7240
Net cash from operating activities		3,919	637	16
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		6	-	16
Acquisition of mining rights		-	-	(1,140)
Acquisition of property, plant and equipment	**20.3**	(1,001)	(281)	(680)
Pre-production expenditure		(780)	(309)	(1,391)
Net cash from investing activities		(1,775)	(590)	(3,195)
Cash flows from financing activities				
Proceeds from issue of shares		-	5,500	5,179
Proceeds from sale of interest in subsidiary undertaking		112	27	27
Finance leases raised		78	-	119
Finance lease payments		(69)	(54)	(107)
Net cash flows from financing activities		121	5,473	5,218
Net increase in cash and cash equivalents		2,265	5,520	2,039
Cash and cash equivalents at beginning of period		3,010	1,018	1,018
Effect of foreign exchange rate changes		(704)	(74)	(47)
Cash and cash equivalents at end of period	**20.4**	4,571	6,464	3,010

1 Reporting entity

Goldplat PLC (the "Company") is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities. The Group primarily is involved in the production of precious metals on the African continent.

2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all of the information required for full annual financial statements.

The interim financial information for the six months ended 31 December 2011 and 31 December 2010 is unaudited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The information for the year ended 30 June 2011 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006, but has been derived from those accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The Auditor's Report on those financial statements was not qualified, and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board of Directors on 2 March 2012.

(b) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2011.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2011.

4 Financial risk management

Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2011.

5 Segment information

Up until 30 June 2011 the Group considered its segments to be most accurately reflected by geographical analysis. Subsequently the segments have been amended as the Group's activities have become more clearly defined and the activities of the Group are now broken down into the operating segments Recovery Operations, Mining and Exploration and Administration. The balances for the 6 months to 31 December 2010 and the 12 months to 30 June 2011 have been restated in accordance with the Group's new operating segments.

Segment information by operating segment is as follows:

6 months to 31 December 2011 (unaudited)

	Recovery Operations £'000	**Mining and exploration £'000**	**Adminis -tration £'000**	**Reconcil-iation to Group figures £'000**	**Group £'000**
External revenues	11,183	-	-	-	11,183
Inter-segment revenues	80	-	-	(80)	-
Total revenues	11,263	-	-	(80)	11,183
Segment result (profit before tax)	2,420	70	(124)	-	2,366
Capital expenditure on non-current assets	352	941	-	-	1,293
Depreciation and amortisation on non-current assets	156	-	-	-	156
Segment assets	13,078	7,473	7,443	-	27,994

6 months to 31 December 2010 (unaudited)

	Recovery	**Mining and**	**Adminis**	**Reconcil-iation to Group**

	Operations £'000	exploration £'000	-tration £'000	figures £'000	Group £'000
External revenues	11,183	-	-	-	11,183
Inter-segment revenues	80	-	-	(80)	-
Total revenues	11,263	-	-	(80)	11,183
Segment result (profit before tax)	2,420	70	(124)	-	2,366
Capital expenditure on non-current assets	352	941	-	-	1,293
Depreciation and amortisation on non-current assets	156	-	-	-	156
Segment assets	13,078	7,473	7,443	-	27,994

12 months to 30 June 2011 (audited – restated)

	Recovery Operations £'000	Mining and exploration £'000	Adminis -tration £'000	Reconcil-iation to Group figures £'000	Group £'000
External revenues	19,620	-	-	-	19,620
Inter-segment revenues	294	-	-	(294)	-
Total revenues	19,620	-	-	(294)	19,620
Segment result (profit before tax)	3,482	-	(54)	-	3,428
Capital expenditure on non-current assets	1,588	1,639	-	-	3,227
Depreciation and amortisation on non-current assets	287	-	-	-	287
Segment assets	14,507	4,260	8,265	-	27,032

6 **Income tax expense**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. This estimate takes account of the increased rate of tax payable in South Africa on dividends remitted, and of the zero rate of tax currently payable on profits earned by the Group in Ghana. The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2011 was 18 per cent (six months ended 31 December 2010: 16 per cent).

The overall income statement charge for taxation for the six months ended 31 December 2011 was £436 thousand (six months ended 31 December 2010: £215 thousand) which comprises a deferred taxation credit of £nil thousand (six months ended 31 December 2010: £2 thousand) and current income tax of £436 thousand (six months ended 31 December 2010: £217 thousand).

7 **Earnings per share**

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

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Earnings for the purpose of earnings per share			
- Basic	1,930	1,143	2,956
- Diluted	1,939	1,151	2,965

	6 months 31 Dec 11 (unaudited)	6 months 31 Dec 10 (unaudited)	12 months 30 Jun 11 (audited)
Weighted average number of ordinary shares in issue during the year	167,120,000	112,418,913	139,393,973
Effect of dilutive options	16,351,474	16,173,750	16,173,750
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	183,471,474	128,592,663	155,567,723

8 **Property, plant and equipment**

During the six months ended 31 December 2011 the Group acquired assets with a cost of £1,293 thousand (six months ended 31 December 2010: £131 thousand).

Assets with a carrying amount of £22 thousand (six months ended 31 December 2010: £nil) were disposed of by the Group resulting in a loss on disposal of £15 thousand (six months ended 31 December 2010: £nil), which is included within administrative expenses in the condensed consolidated statement of comprehensive income.

9 Pre-production expenditure

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Cost			
Balance at beginning of period	2,748	1,552	1,552
Expenditure incurred	780	308	1,391
Foreign exchange translation	149	(4)	(195)
Balance at end of period	3,677	1,856	2,748
Impairment losses			
Balance at beginning and end of period	-	-	-
Carrying amounts			
Balance at end of period	3,677	308	1,391
Balance at beginning of period	2,748	1,552	1,552

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

10 Intangible assets

10.1 Goodwill

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Cost			
Balance at beginning of period	5,780	5,745	5,745
Additions	-	-	35
Balance at end of period	5,780	5,745	5,780
Impairment losses			
Balance at beginning and end of period	-	-	-
Carrying amounts			
Balance at end of period	5,780	5,745	5,780
Balance at beginning of period	5,780	5,745	5,745

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

10.2 Mineral rights

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Cost			
Balance at beginning of period	1,140	-	-
Expenditure incurred	-	-	1,140
Foreign exchange translation	(61)	-	-
Balance at end of period	1,079	-	1,140
Impairment losses			
Balance at beginning and end of period	-	-	-
Carrying amounts			
Balance at end of period	1,079	-	1,140
Balance at beginning of period	1,140	-	-

The mineral rights relate to exploration and mining licenses in Burkina Faso and Ghana.

11 Proceeds from sale of shares in subsidiary

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

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Balance at beginning of period	383	472	390
Received from dividends	(112)	(64)	(27)
Foreign exchange translation	(46)	-	20
Balance at end of period	225	408	383

12 Inventories

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Consumable stores	693	483	590
Raw materials	2,160	1,154	962
Precious metals on hand in process	979	1,571	1,815
	3,832	3,208	3,367

13 Trade and other receivables

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Trade receivables	2,421	3,204	5,879
Other receivables	1,597	572	705
	4,018	3,776	6,584

14 Share capital and reserves

Issues of ordinary shares

No resolutions have been passed during the period regarding the issue of new ordinary shares (2010: 55 million ordinary shares at an exercise price of £0.10 per share). All issued shares are fully paid.

No ordinary shares have been issued as a result of vested options and warrants during the period (2010: nil) (see note 19).

Dividends
No dividends were declared or paid in the six months to 31 December 2011 (six months to 31 December 2010: £nil).

15 Provisions

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Environmental obligation			
Balance at beginning of period	220	180	180
Provisions made during the period	(14)	-	17
Unwinding of discount	8	-	14
Foreign exchange translation	(28)	22	9
	186	202	220

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

16 Obligations under finance leases

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Minimum instalment – less than one year	148	127	171
Interest	(12)	(11)	(14)
Principle	136	116	157

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Minimum instalment – between one and five years	67	59	65
Interest	(2)	(2)	(3)
Principle	65	57	62
Balance at end of period	201	173	219

The average lease term is 2 years. The average effective borrowing rate for the six months to 31 December 2011 was 10 per cent (six months to 31 December 2010: 10 per cent). Interest rates are variable over the lease term and vary according to the South African prime interest rate.

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

17 Trade and other payables

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000

Trade creditors	953	1,300	1,756
Accruals	2,847	1,545	2,721
Due on purchase of shares in subsidiary	-	970	-
Costs due on issue of shares	-	342	-
Other payables	596	-	-
	4,396	4,157	4,477

18 Loans and borrowings

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Non-current			
Balance at beginning of period	-	647	-
Repaid	-	(647)	-
	-	-	-
Current			
Bank overdrafts	49	-	117

19 Share options and warrants

The Company has granted share options and warrants. The terms and conditions of the share options and warrants are disclosed in the consolidated financial statements as at and for the year ended 30 June 2011.

No further options or warrants were granted during the six months ended 31 December 2011.

20 Notes to the cash flow statement

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
20.1 Cash generated from operations			
Operating profit	2,003	1,435	3,054
Adjustments for:			
Depreciation of property, plant and equipment	156	137	287
Loss on disposal of property, plant and equipment	15	-	8
Share incentive scheme cost	-	51	102
Exceptional gain	-	-	(425)
Operating profit before working capital changes	2,174	1,623	3,026
(Increase)/Decrease in inventories	(465)	617	458
Decrease/(Increase) in trade and other receivables	2,566	(1,910)	(4,718)
(Decrease)/Increase in trade and other payables	(81)	721	2,011
Effect of exchange rate on payables	-	(26)	-
	4,194	1,025	777
20.2 Financing cost			
As per statement of comprehensive income	(242)	(142)	(119)
Adjust for: Interest on environmental liability	8	-	14
	(234)	(142)	(105)
20.3 Acquisition of property, plant and equipment			
Additions for the year	(1,293)	(131)	(696)
Adjust for: Additions to environmental assets	292	-	16
Acquisition of mining rights	-	(150)	-
	(1,001)	(281)	(680)

20.4 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	6 months 31 Dec 11 (unaudited) £'000	6 months 31 Dec 10 (unaudited) £'000	12 months 30 Jun 11 (audited) £'000
Bank balances and short term deposits	4,620	6,464	3,127
Bank overdrafts (note 18)	(49)	-	(117)
	4,571	6,464	3,010

21 Related parties

Transactions with key management personnel
During the six months ended 31 December 2011 the Group paid professional fees to MSP Securities Limited, a company of which B M Moritz is a director, in relation to accounting services provided, totalling £2 thousand.

In addition, during the six months ended 31 December 2011 the Group paid professional fees to Share Registrars Limited, a subsidiary of MSP Securities Limited, in relation to the maintenance of the Company's share register, totalling £nil thousand.

All transactions with related parties take place on terms no more favourable than transactions with unrelated parties.

****ENDS****