Vast Resources plc / Ticker: VAST / Index: AIM / Sector: Mining

24 December 2018

Vast Resources plc

("Vast" or the "Company")

Interim Results for the six months to 30 September 2018

Highlights

Financial

- 47% increase in revenue to $21.942 million (2017:$14.882 million) from the Group's two operational mines in Romania and Zimbabwe
- 31% increase in administrative overhead expenses ($3.5 million) compared to the same period in the previous year (2017: $2.7 million)
- A foreign exchange loss of $1.4 million compared to a foreign exchange gain of $1.2 million in the same period in the previous year
- $1.3 million loss from operations compared to a $0.56 million profit from operations in the same period in the previous year
- A 83% decrease in total loss after taxation to $2.1 million (2017: loss $12.6 million) due to a $12.5 million exceptional item incurred in the same period in the previous year
- Optimisation and expansion initiatives at Manaila Polymetallic Mine including construction of the new Carlibaba metallurgical plant impeded due to delay accessing the Tranche B funds from Mercuria
- Accelerated repayments of historic debts from Mineral Mining to allow the granting of the Baita Plai association licence also impacted the Group's financial results
- Cash balances at period end $0.661 million (2017:$1.723 million)

Post period end

- Cash balances at 21 December 2018: $1.379 million

Operational Development

- Pickstone-Peerless Gold Mine (Zimbabwe)
  - 8% increase in gold production to 13,352 Troy ounces from 12,383 Troy ounces in the six months to 31 March 2018 (six months to 30 September 2017: 8,775 ounces)
- Manaila Polymetallic Mine (Romania)
  - 61% increase in copper concentrate produced to 1,526 tonnes from 948 tonnes in six months to 31 March 2018 (six months to 30 September 2017:1910 tonnes)
  - 97% increase in zinc concentrate produced to 199 tonnes from 100 tonnes in six months to 31 March 2018 (six months to 30 September 2017: 275 tonnes)
- Acquisition of Delta Gold Zimbabwe, owners of Eureka Gold Mine, by 25.01% owned Group company Dallaglio Investments (Private) Limited, in April 2018
- Conditional acquisition of a 29.41% interest in the Blueberry Project in the Golden Quadrilateral of Romania
- Exclusive access for initial due diligence and pre-agreed joint venture terms on Heritage Diamond Concession in the Marange Diamond Fields

Post period end:

- Agreement with Botswana Diamonds plc on Heritage Concession on 4 October 2018
- Right to mine at Baita Plai Polymetallic Mine granted on 16 October 2018
- Acquisition of 29.41% interest in the Blueberry Project confirmed on 30 October 2018
- Commencement of drilling at Magura Neagra and Piciorul Zimbrului on 19 November 2018

Funding

Share issues during the year: gross proceeds before cost of issue

£	Shares issued	Issued to
87,272	17,100,447	Exercise of Warrants
1,250,000	238,095,238	Issued to investors on placing
863,750	133,914,127	Subscription by investors
2,201,022	**389,463,818**	

Post period end

£	Shares issued	Issued to
4,010	801,896	Exercise of Warrants
425,086	70,847,785	Issued to investors on placing
100,000	16,666,666	Subscription by directors
1,000,000	188,679,245	Issued to investors on placing
68,000	68,000,000	Issued to Bergen in the context of a $3 million bridge facility

Debt Funding

Post period end

- A US$3 million bridge facility entered with the Bergen Global Opportunity Fund LP on 19 December 2018 for the purchase of zero coupon convertible securities in two equal Tranches. Each Tranche will not be convertible into shares in the Company for an initial period of 30 days, and the Company can repay each Tranche in full without penalty up until 20 March 2019

- US$600,000 repaid to Sub-Sahara Goldia Investments Ltd

Board and Management

- Appointment of Nicholas Hatch as non-executive director on 9 May 2018
- Appointment of Mark Mabhudhu, diamond specialist, to Board of Vast Zimbabwe on 6 July 2018

CHIEF EXECUTIVE OFFICER'S REPORT

The half year coupled with events post period end have been an interesting time for the growth of the Company. Notably the long-expected award of the Baita Plai Association Licence and the re-opening of the Baita Plai Polymetallic Mine will enhance both the profitability and the cash generation capacity of the Romania operations. Management now anticipates that mining at Baita Plai will be able to start operations within six months. Funding required to rehabilitate the infrastructure, improve safety, and expand the galleries will be covered by the recent bridging loan followed by a part of the 'Tranche B' US$5.5m draw down of the Pre-Payment Offtake Agreement with Mercuria when available. The other significant event that will potentially change the direction and near term cashflow of the Company is the signing of the agreement with Red Mercury which should, subject to Red Mercury receiving the final licence, lead to the mining of diamonds on the Heritage Concession in the Marange Diamond Fields of Zimbabwe.

The revenue realised in the current half year period rose 47% on the half year to September 2017 due to a large increase in gold sales. The impact of the noteworthy revenue increase was not directly reflected due to an increase in overheads, from 16.8% of revenue for the half year to September 2017 to 31.1% of revenue for the current half year. This was to a large extent caused by foreign exchange losses incurred in excess of $1.4million for the current half year compared to $1.2million in foreign exchange gains realised in the corresponding period to 30 September 2017. Additional factors were the flooding in the pit at Pickstone Peerless (now rectified) and the inclusion of more than $300,000 in overheads incurred by Delta Gold on the Eureka Gold Mine.

The Manaila mine has performed to the best of its ability with the current plant and equipment available. The Manaila mine in its current state before the investment of new plant has constituted a proof of concept for mining in Romania without which it is doubtful that the Company would have secured the right to mine at Baita Plai or the Blueberry Project. Manaila will only be a cash generator for the Company once we have built the plant in Carlibaba.

Until the new plant is operational we wish to ensure that we mine at a level that does not cause the Company losses, and action has been planned and is being implemented to address inadequate in-pit ore haulage capacity and cost effective conveyance of the required historically budgeted 15,000 tonnes per month in ore volumes from the pit operations to the floatation plant. However a management decision has been made to reduce the budgeted target to 10,000 tonnes per month in order to reduce costs and optimise the floatation plant until the procurement of a new dumper and excavator fleet arrives early 2019. Management had also decided to focus on pre-stripping activity to access higher ore grades but for reasons stated this endeavour was hampered by deficient excavating and transport assets. The low production volumes meant that overheads were not fully recovered resulting in cash costs of concentrate exceeding realisable sales values per tonne. An upgraded truck-and-shovel fleet is expected to be in place at Manaila during the current financial year and is expected to significantly improve delivered ore volumes.

Pickstone-Peerless Gold Mine in Zimbabwe experienced above trend increases in mining and overhead costs in the reporting period. This was occasioned by an unprecedented flooding of the pit and an increase in overburden stripping to access declining oxide ore reserves; to facilitate sulphide mining; and to provide adequate mining areas for future periods. The benefits of this overburden removal will be positively felt during future reporting periods. Cash flow generated at Pickstone-Peerless has generated funds which, together with the local bank overdraft, has funded both the recently constructed sulphide plant and initial expenditure on the Eureka Gold Mine. A $30million debt facility is currently being negotiated to fund the development of Eureka.

Proximal to the Marange Diamond Fields the Group assembled and mobilised a team of geologists and engineers who have undertaken an extensive investigation into the potential of modern alluvial diamond placer deposits and the possibility of the basal Umkondo unit on the Heritage Concession. The Group concluded an exclusive access agreement for due diligence and pre-agreed Joint Venture terms with Red Mercury as outlined in the Company's announcement of 22 August 2018 and since then has completed positive commercial due diligence on the project.

Vast will be focusing on improving results in its core operations in both Romania and Zimbabwe. Opportunities in both jurisdictions will be pursued rigorously with reliance made on its local management and the extensive network of relationships with key parties.

Andrew Prelea
Chief Executive Officer

CHAIRMAN'S STATEMENT

In Romania, our focus during the reporting period was to secure the Baita Plai Association Licence; to improve the performance of the Manaila Polymetallic Mine; to expand our mineralised footprint in the area proximal to the present open pit mining operation; and to pursue opportunities elsewhere in Romania.

I am happy to report, following the execution of the Association Contract for Baita Plai, we now have the mining rights. We have deployed the start-up team to Baita Plai to commence the implementation of the re-start programme.

We intend to publish the start-up works and provide regular updates over the course of the next six months as we target initial production from Baita Plai by the end of H1 2019. Alongside our numerous other production, development and appraisal assets in Romania and Zimbabwe, we have taken a major step forward to achieving our target of mid-tier multi-commodity producer status.

At Manaila, copper and zinc concentrate volumes and quality have not improved, which regrettably impacted adversely on Group profits and cash flows. However, as Andrew Prelea has indicated in his report, the Manaila Mine was a 'test case' for the ability to mine in Romania and has been, we believe, an essential step in the final award of the right to mine at Baita Plai.

Plans are well advanced to construct a metallurgical processing facility proximal to future mining operations to deal with the projected increased ore supply at Manaila both from the original pit and from the Carlibaba extension. The configuration of the new facilities is expected to contribute substantially to the improving efficiency and cost effectiveness of open pit operations as an economic scale of operations will be realisable. Nevertheless, our focus over the next six months is in bringing Baita Plai into profitable production.

We were pleased to announce on 28 September 2018 that surface exploration drilling had commenced at the Magura Neagra and Piciorul Zimbrului prospecting licences (collectively Zagra) in northern Romania. Although a longer term project than the nearby Manaila mine, or our near term production assets at Baita Plai, the licences are highly compelling by virtue of the historic assessments conducted by the previous state exploration company which pointed to both licences demonstrating sufficient size and scale to warrant a comprehensive exploration campaign.

We acquired an effective 29.41% interest the Blueberry Polymetallic Gold Project, a 7.285km brownfield area of prospectivity in the Golden Quadrilateral of Romania located in the immediate vicinity of the now closed Baia de Aries mine.

In Zimbabwe, our focus during the reporting period was to secure a foothold in the Marange Diamond Fields. We have agreed, subject to due diligence, to enter into a potentially significant joint venture on the Heritage Concession. We already hold an 86.67% interest in a SPV which has a due diligence access agreement and pre-agreed joint venture terms regarding the aforesaid diamond concession within the Marange Diamond Fields, widely considered to be one of the richest sources of alluvial diamonds globally. Importantly, the senior management of Vast has been working closely with the community leaders and is developing strong ties with local stakeholders. The wellbeing and advancement of the community is paramount to the success of a long-term business within the Marange Diamond Fields.

In the gold mining field, results at the Pickstone-Peerless Mine have continued to be good, and we also acquired a 23.75% interest in the Eureka Gold Mine, which is planned to be in production by June 2019.

Our finances have been adversely affected by the delay in the completion of due diligence allowing us to draw down the second tranche of the Mercuria finance amounting to $5.5 million. We still expect this to be available for draw down in January 2019, but we have entered into a US$3,000,000 bridge facility with the Bergen Global Opportunity Fund, LP in the interim. Any draw down on this facility is intended to be repaid from the Mercuria funds, so that no conversion rights are expected to apply.

Brian Moritz
Chairman

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Condensed consolidated statement of comprehensive income

for the six months ended 30 September 2018

	Note	30 Sep 2018 Unaudited Group $'000	31 Mar 2018 Audited Group $'000	30 Sep 2017 Unaudited Group $'000
Revenue		21,942	30,688	14,882
Cost of sales		(16,431)	(23,412)	(11,815)
Gross profit		5,511	7,276	3,067
Overhead expenses		(6,817)	(5,259)	(2,509)
Depreciation and impairment of property, plant and equipment		(2,108)	(2,862)	(1,259)
Profit (loss) on sale of property, plant and equipment		(2)	(22)	29
Share option and warrant expense		(122)	(27)	-
Sundry income		293	812	256
Exchange (loss) gain		(1,359)	2,301	1,152
Other administrative and overhead expenses		(3,519)	(5,461)	(2,687)
Profit (loss) from operations		**(1,306)**	**2,017**	**558**
Finance income		26	42	20
Finance expense		(851)	(1,202)	(676)
Loss on disposal of interest in subsidiary loans		-	(12,538)	(12,538)
Loss before taxation from continuing operations		**(2,131)**	**(11,681)**	**(12,636)**
Taxation charge		-	(3,794)	-
Total Loss after taxation for the year		**(2,131)**	**(15,475)**	**(12,636)**
Other comprehensive income				
Items that may be subsequently reclassified to either profit or loss				
Gain on available for sale financial assets		1	3	2
Exchange gain (loss) on translation of foreign operations		954	(1,435)	(976)
Total comprehensive loss for the year		**(1,176)**	**(16,907)**	**(13,610)**
Total loss attributable to:				
- the equity holders of the parent company		(4,510)	(17,295)	(13,916)
- non-controlling interests		2,379	1,820	1,280
		(2,131)	**(15,475)**	**(12,636)**
Total comprehensive profit (loss) attributable to:				
- the equity holders of the parent company		(3,555)	(18,727)	(14,890)
- non-controlling interests		2,379	1,820	1,280
		(1,176)	**(16,907)**	**(13,610)**
Loss per share – basic and diluted	3	(0.09)	(0.36)	(0.30)

Condensed consolidated statement of changes in equity
for the six months ended 30 September 2018

	Share capital $'000	Share premium $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Available for sale reserve $'000	EBT reserve $'000	Retained deficit $'000	Total $'000	Non-controlling interests $'000	Total $'000
At 31 March 2017	**19,420**	**74,802**	**1,890**	**(1,228)**	**-**	**(3,942)**	**(69,828)**	**21,114**	**12,394**	**33,508**
Total comprehensive loss for the period	-	-	-	(976)	2	-	(13,916)	**(14,890)**	1,280	**(13,610)**
Share options and warrants lapsed	-	-	(79)	-	-	-	79	**-**	-	**-**
Investment received in subsidiary - Ronquil Enterprises (Pvt) Ltd	-	-	-	-	-	-	(757)	**(757)**	2,457	**1,700**
Interest in mining asset	-	-	-	-	-	-	(4,604)	**(4,604)**	4,604	**-**
Acquisition of NCI in subsidiary - Sinarom Ming Group SRL	-	-	-	-	-	-	(4,075)	**(4,075)**	1,772	**(2,303)**
Shares issued for cash:	28	49	-	-	-	-	-	**77**	-	**77**
- to settle liabilities								**-**	-	**-**
At 30 September 2017	**19,448**	**74,851**	**1,811**	**(2,204)**	**2**	**(3,942)**	**(93,101)**	**(3,135)**	**22,507**	**19,372**
Total comprehensive loss for the period	-	-	-	(459)	1	-	(3,377)	**(3,835)**	540	**(3,295)**
Share option and warrant charges	-	-	27	-	-	-	-	**27**	-	**27**
Share options and warrants lapsed	-	-	(258)	-	-	-	258	**-**	-	**-**
Shares issued for cash:	592	2,386	-	-	-	-	-	**2,978**	-	**2,978**
At 31 March 2018	**20,040**	**77,237**	**1,580**	**(2,663)**	**3**	**(3,942)**	**(96,220)**	**(3,965)**	**23,047**	**19,082**
Total comprehensive loss for the period	-	-	-	954	1	-	(4,510)	**(3,555)**	2,379	**(1,176)**
Share option and warrant charges	-	-	122	-	-	-	-	**122**	-	**122**
Share options and warrants lapsed	-	-	(10)	-	-	-	10	**-**	-	**-**
Acquired through business combination - Delta Gold Zimbabwe (Pvt) Ltd	-	-	-	-	-	-	-	**-**	(1,695)	**(1,695)**
Derecognition of EBT reserve	-	-	-	-	-	3,942	(3,715)	**227**	-	**227**
Disposal of available for sale investments	-	-	-	-	3	-	-	**3**	-	**3**
Shares issued for cash:	512	2,379	-	-	-	-	-	**2,891**	-	**2,891**
At 30 September 2018	**20,552**	**79,616**	**1,692**	**(1,709)**	**7**	**-**	**(104,435)**	**(4,277)**	**23,731**	**19,454**

Condensed consolidated statement of financial position
As at 30 September 2018

	Note	30 Sep 2018 Unaudited Group $'000	31 Mar 2018 Audited Group $'000	30 Sep 2017 Unaudited Group $'000
Assets				
Non-current assets				
Property, plant and equipment	4	51,347	45,534	43,929
Investment in joint ventures		563	559	-
Goodwill arising on consolidation	10	566	-	-
Deferred tax asset		-	-	465
		52,476	46,093	44,394
Current assets				
Inventory	5	5,536	4,054	2,806
Receivables	6	9,021	5,406	5,490
Available for sale investments		15	13	12
Cash and cash equivalents		661	1,300	1,723
Total current assets		15,233	10,773	10,031
Total Assets		67,709	56,866	54,425
Equity and Liabilities				
Capital and reserves attributable to equity holders of the Parent				
Share capital		20,552	20,040	19,448
Share premium		79,616	77,237	74,851
Share option reserve		1,692	1,580	1,811
Foreign currency translation reserve		(1,709)	(2,663)	(2,204)
Available for sale reserve		7	3	2
EBT reserve		-	(3,942)	(3,942)
Retained deficit		(104,435)	(96,220)	(93,101)
		(4,277)	(3,965)	(3,135)
Non-controlling interests		23,731	23,047	22,507
Total equity		19,454	19,082	19,372
Non-current liabilities				
Loans and borrowings	7	23,773	22,635	19,059
Provisions	9	2,465	1,397	1,140
Deferred tax liability		3,330	3,330	-
		29,568	27,362	20,199
Current liabilities				
Loans and borrowings	7	10,906	4,331	7,974
Trade and other payables	8	7,781	6,091	6,880
Total current liabilities		18,687	10,422	14,854
Total liabilities		48,255	37,784	35,053
Total Equity and Liabilities		67,709	56,866	54,425

Condensed consolidated statement of cash flow
for the six months ended 30 September 2018

	30 Sep 2018 Unaudited Group $'000	31 Mar 2018 Audited Group $'000	30 Sep 2017 Unaudited Group $'000
CASH FLOW FROM OPERATING ACTIVITES			
Profit (loss) before taxation for the period	**(2,131)**	**(11,681)**	**(12,636)**
Adjustments for:			
Depreciation and impairment charges	2,108	2,862	1,259
(Profit) loss on sale of property, plant and equipment	2	22	(29)
Loss on disposal of interest in loans	-	12,538	12,538
Share option expense	122	27	-
	101	3,768	1,132
Changes in working capital:			
Decrease (increase) in receivables	(2,940)	8	(274)
Decrease (increase) in inventories	(1,205)	(2,392)	(3)
Increase (decrease) in payables	2,254	(1,998)	(1,307)
	(1,891)	(4,382)	(1,584)
Cash used in operations	**(1,790)**	**(614)**	**(452)**
Investing activities:			
Payments to acquire property, plant and equipment	(4,390)	(9,197)	(6,084)
Payments to acquire subsidiary company	(4,490)		
Proceeds on disposal of property, plant and equipment	85	107	64
Proceeds of third party investment in subsidiary	-	1,700	1,700
Proceeds of derecognition of EBT reserve	227	-	-
Payments to acquire controlling interest in subsidiary	-	(2,303)	(2,303)
Proceeds of loan assignment	-	2,300	2,300
Increase in investment in joint venture	(4)	(102)	-
Total cash used in investing activities	**(8,572)**	**(7,495)**	**(4,323)**
Financing Activities:			
Proceeds from the issue of ordinary shares, net of issue costs	2,891	3,055	77
Proceeds from loans and borrowings granted	6,885	9,177	7,171
Repayment of loans and borrowings	(53)	(4,149)	(2,076)
Total proceeds from financing activities	9,723	8,083	5,172
Increase (decrease) in cash and cash equivalents	(639)	(26)	397
Cash and cash equivalents at beginning of period	1,300	1,326	1,326
Cash and cash equivalents at end of period	**661**	**1,300**	**1,723**

Interim report notes

1 Interim Report

These condensed interim financial statements, which are unaudited, are for the six months ended 30 September 2018 and consolidate the financial statements of the Company and all its subsidiaries. The statements are presented in United States Dollars.

The financial information set out in these condensed interim financial statements does not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006. The condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2018 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). The Auditor's report on those financial statements was unqualified and did not contain a statement under s.498(2) or s.498(3) of the Companies Act 2006.

While the Auditors' report for the year ended 31 March 2018 was unqualified, it did include an emphasis of matter concerning going concern, to which the Auditors drew attention by way of emphasis without qualifying their report. Full details of these comments are contained in the report of the Auditors on Page 20 on the annual financial statements for the year ended 31 March 2018, released elsewhere on this website on 28 September 2018.

The accounts for the period have been prepared in accordance with International Accounting Standard 34 *"Interim Financial Reporting"* ("IAS 34") and the accounting policies are consistent with those of the annual financial statements for the year ended 31 March 2018, unless otherwise stated, and those envisaged for the financial statements for the year ended 31 March 2019.

New IFRS accounting standards

IFRS 15 and IFRS 9 became effective for the Group from 1 January 2018. As the effects of applying these standards are considered immaterial to the Group, the Group has elected not to demonstrate the impact of these standards on the current period's results and not to restate prior periods on adoption of the new standards in 2018.

IFRS 15 Revenue from Contracts with Customers

It was reported the annual financial statements for the year ended 31March2018 that the timing and amount of revenue recognised by the Group for the sale of commodities is such that transfer of risks and rewards generally coincides with the transfer of control at a point in time.

IFRS 9 Financial Instruments

It was reported the annual financial statements for the year ended 31March2018 that the impact of adopting IFRS 9 on the Group results for the year ended 31 March 2018 would have been materially unchanged on application of the new standard.

After review of the Group's operations and of the funding opportunities open to the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

This interim report was approved by the Directors on 21 December 2018

2 Segmental analysis

	Mining, exploration and development		Administration and corporate	Total
	Europe $'000	Africa $'000	$'000	$'000
Six months to 30 September 2018				
Revenue	2,613	19,329	-	21,942
Production costs	(3,233)	(13,198)	-	(16,431)
Gross profit (loss)	(620)	6,131	-	5,511
Depreciation	(818)	(1,289)	(1)	(2,108)
Profit (loss) on sale of property, plant and equipment	-	-	(2)	(2)
Share option and warrant expense	-	-	(122)	(122)
Sundry income	136	157	-	293
Exchange (loss) gain	(1,047)	-	(312)	(1,359)
Other administrative and overhead expenses	(866)	(1,224)	(1,429)	(3,519)
Finance income	-	26	-	26
Finance expense	(191)	(660)	-	(851)
Loss on disposal of subsidiary company loans	-	-	-	-
Taxation (charge)	-	-	-	-
Profit (loss) for the year from continuing operations	(3,406)	3,141	(1,866)	(2,131)
30 September 2018				
Total assets	14,599	53,090	20	67,709
Total non-current assets	11,463	41,502	(489)	52,476
Additions to non-current assets	709	3,680	1	4,390
Total current assets	3,136	11,588	509	15,233
Total liabilities	8,884	24,503	14,868	48,255
Year to 31 March 2018				
Revenue	3,098	27,590	-	30,688
Production costs	(4,298)	(19,114)	-	(23,412)
Gross profit (loss)	(1,200)	8,476	-	7,276
Depreciation and impairment	(1,398)	(1,461)	(3)	(2,862)
Profit (loss) on sale of property, plant and equipment	(23)	1	-	(22)
Share option and warrant expense	-	-	(27)	(27)
Sundry income	470	342	-	812
Exchange (loss) gain	1,452	-	849	2,301
Other administrative and overhead expenses	(2,041)	(738)	(2,682)	(5,461)
Finance income	-	42	-	42
Finance expense	(11)	(1,159)	(32)	(1,202)
Loss on disposal of subsidiary company loans	-	-	(12,538)	(12,538)
Taxation (charge)	-	(3,794)	-	(3,794)
Profit (loss) for the year from continuing operations	(2,751)	1,707	(14,431)	(15,475)

	Mining, exploration and development		Administration and corporate	Total
	Europe $'000	Africa $'000	$'000	$'000
31 March 2018				
Total assets	15,359	41,306	201	56,866
Total non-current assets	12,173	34,409	(489)	46,093
Additions to non-current assets	3,134	6,063	-	9,197
Total current assets	3,186	7,456	690	11,332
Total liabilities	8,218	14,381	15,186	37,785
Six months to 30 September 2017				
Revenue	2,832	12,050	-	14,882
Production costs	(2,212)	(9,603)	-	(11,815)
Gross profit (loss)	620	2,447	-	3,067
Depreciation and impairment	(747)	(510)	(2)	(1,259)
Profit (loss) on sale of property, plant and equipment	29	-	-	29
Share option and warrant expense	-	-	-	-
Sundry income	90	166	-	256
Exchange (loss) gain	1,032	-	120	1,152
Other administrative and overhead expenses	(1,120)	(289)	(1,278)	(2,687)
Finance income	-	20	-	20
Finance expense	-	(575)	(101)	(676)
Loss on disposal of subsidiary company loans	-	-	(12,538)	(12,538)
Taxation (charge)	-	-	-	-
Profit (loss) for the year from continuing operations	(96)	1,258	(13,798)	(12,636)
30 September 2017				
Total assets	15,388	38,957	80	54,425
Total non-current assets	11,716	33,165	(487)	44,394
Additions to non-current assets	2,145	3,939	-	6,084
Total current assets	3,672	5,792	567	10,031
Total liabilities	5,278	14,447	15,328	35,053

3 Loss per share

		30 Sep 2018 Unaudited Group	31 Mar 2018 Audited Group	30 Sep 2017 Unaudited Group
Loss per ordinary share has been calculated using the weighted average number of ordinary shares in issue during the relevant financial year.				
The weighted average number of ordinary shares in issue for the period is:		5,284,328,194	4,821,870,747	4,676,819,360
Losses for the period:	($'000)	(4,510)	(17,295)	(13,619)
Loss per share basic and diluted (cents)		(0.09)	(0.36)	(0.30)

The effect of all potentially dilutive share options is anti-dilutive.

4 Property, Plant and equipment

Group	Plant and machinery	Fixtures, fittings and equipment	Computer assets	Motor vehicles	Buildings and Improvements	Mining assets	Capital Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost at 1 April 2017	**8,401**	**202**	**227**	**605**	**3,231**	**24,946**	**6,382**	**43,994**
Revaluation	-	-	-	-	-	-	-	-
Additions during the year	811	53	109	94	33	1,908	6,189	9,197
Reclassification	9,942	(30)	30	-	242	194	(10,378)	-
Disposals during the year	(131)	(62)	(78)	(60)	(28)	(2)	-	(361)
Impairment	-	-	-	-	(34)	-	-	(34)
Foreign exchange movements	224	7	3	60	296	385	50	1,025
Cost at 31 March 2018	**19,247**	**170**	**291**	**699**	3,740	**27,431**	**2,243**	**53,821**
Revaluation	-	-	-	-	-	-	-	-
Additions during the period	507	48	99	137	52	1,571	1,976	4,390
Acquired through business combination	2,319	20	-	2	1,790	-	-	4,131
Reclassification	260	-	-	-	5	-	(265)	-
Disposals during the period	-	-	-	-	(87)	-	-	(87)
Foreign exchange movements	(186)	(2)	(6)	(31)	(168)	(273)	(61)	(727)
Cost at 30 September 2018	**22,147**	**236**	**384**	**807**	**5,332**	**28,729**	**3,893**	**61,528**
Depreciation at 1 April 2017	**2,963**	**119**	**139**	**283**	**345**	**978**	**604**	**5,431**
Charge for the year	1,826	21	79	114	152	670	-	2,862
Disposals during the year	(91)	(62)	(78)	(34)	(1)	-	-	(266)
Foreign exchange movements	100	5	-	42	42	71	-	260
Depreciation at 31 March 2018	**4,798**	**83**	**140**	**405**	**538**	**1,719**	**604**	**8,287**
Charge for the year	1,532	16	42	28	76	414	-	2,108
Disposals during the period	-	-	-	-	-	-	-	-
Foreign exchange movements	(98)	(2)	(3)	(26)	(54)	(31)	-	(214)
Depreciation at 30 September 2018	**6,232**	**97**	**179**	**407**	**560**	**2,102**	**604**	**10,181**
Net book value at 31 March 2017	**5,438**	**83**	**88**	**322**	**2,886**	**23,968**	**5,778**	**38,563**
Net book value at 30 September 2017	**6,049**	**54**	**170**	**241**	**3,268**	**24,518**	**9,629**	**43.929**
Net book value at 31 March 2018	**14,449**	**87**	**151**	**294**	**3,202**	**25,712**	**1,639**	**45,534**
Net book value at 30 September 2018	**15,915**	**139**	**205**	**400**	**4,772**	**26,627**	**3,289**	**51,347**

5 Inventory

	Sep 2018 Unaudited Group $'000	Mar 2018 Audited Group $'000	Sep 2017 Unaudited Group $'000
Minerals held for sale	1,908	1,484	1,029
Production stockpiles	1,413	1,425	946
Consumable stores	2,215	1,145	831
	5,536	4,054	2,806

6 Receivables

	Sep 2018 Unaudited Group $'000	Mar 2018 Audited Group $'000	Sep 2017 Unaudited Group $'000
Trade receivables	355	94	384
Other receivables	2,392	1,145	520
Short term loans	-	789	526
Prepayments	2,305	1,366	982
VAT	3,969	2,012	3,078
	9,021	5,406	5,490

7 Loans and borrowings

	Sep 2018 Unaudited Group $'000	Mar 2018 Audited Group $'000	Sep 2017 Unaudited Group $'000
Non current			
Secured borrowings	9,286	8,149	20,757
Unsecured borrowings	14,838	14,838	-
less amounts payable in less than 12 months	(351)	(352)	(1,698)
	23,773	22,635	19,059
Current			
Secured borrowings	3,451	-	-
Unsecured borrowings	4,813	2,664	1,253
Bank overdrafts	2,291	1,315	5,023
Current portion of long term borrowings	351	352	1,698
	10,906	4,331	7,974
Total loans and borrowings	34,679	26,966	27,033

8 Payables

	Sep 2018 Unaudited Group $'000	Mar 2018 Audited Group $'000	Sep 2017 Unaudited Group $'000
Trade payables	5,308	4,753	5,377
Other payables	1,836	769	1,250
Other taxes and social security taxes	530	478	160
Accrued expenses	107	91	93
	7,781	6,091	6,880

9 Provisions

	Sep 2018 Unaudited Group $'000	Mar 2018 Audited Group $'000	Sep 2017 Unaudited Group $'000
Provision for rehabilitation of mining properties			
- Provision brought forward from previous periods	1,397	1,095	1,095
- Liability recognised during period	1,068	302	45
	2,465	1,397	1,140

10 Goodwill on consolidation of subsidiary

On 20th April 2018 the Company announced the acquisition, through its subsidiary Dallaglio Investments (Private) Limited, of the entire issued share capital of Delta Gold (Private) limited, which is the owner and operator of the Eureka Gold Mine in northern Zimbabwe. The Company's effective share of ownership is 25.05%. The principal reason for this acquisition was to expand the Group's mining operations.

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and gain arising are as follows:

	Fair value $000's
Property, plant and equipment	4,131
Cash and cash equivalents	5
	4.136
Less: Payables	(1,913)
Net assets	2,223
Fair value of consideration paid - Cash	4,485
Goodwill on acquisition	2,262
Less attributable to Non-controlling Interests	(1,695)
	566

11 Events after the reporting date

Baita Plai licence

Commercial contract signed between the Company's 80% owned subsidiary, African Consolidated Resources SRL and Baita SA giving the Company the right to mine at the Baita Plai Polymetallic Mine.

Shares issued

Date	No of Shares	Gross before costs - £	Gross before costs - $	Reason for issue
8-Oct-18	13,920	70	92	Exercise of warrants
16-Oct-18	57,331	287	372	Exercise of warrants
18-Oct-18	70,847,785	425,086	552,612	Placing to investors
18-Oct-18	16,666,666	100,000	130,000	Subscription by directors
2-Nov-18	188,679,245	1,000,000	1,300,000	Placing to investors
5-Dec-18	153,810	769	980	Exercise of warrants
7-Dec-18	576,835	2,884	3,676	Exercise of warrants
19-Dec-18	68,000,000	68,000	86,098	Bergen transaction

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