African Consolidated Resources plc / Ticker: AFCR / Index: AIM / Sector: Mining

19 December 2013

African Consolidated Resources plc ('ACR' or 'the Company')

Interim Results

African Consolidated Resources plc, the AIM listed resource and development company focused in Zimbabwe, is pleased to announce its results for the six months to 30 September 2013.

Operational Highlights

Reporting Period

- Completion of Definitive Feasibility Study on Pickstone Peerless oxide cap
- Confirmation of 3.2Moz JORC Resource estimate at Pickstone Peerless by SRK Consulting (South Africa)
- Appointment of Neville Nicolau, former CEO of Anglo American Platinum Limited, as a non-executive director

Post Period

- Completion of Prefeasibility Study on open pit yielding a mining inventory of 766,000 oz gold at 5.1 g/t with cut off at 1.75 g/t predicting Life of Mine all in sustaining cost below $700/oz
- Provisional declaration of 1Moz Mineral Reserve.
- Agreement of Indicative Terms Sheet with major African bank
- Indigenization planning well advanced

Financial Highlights

- Loss of $2.3m to 30 September 2013 as exploration programmes continue
  (FY to 31 March 2013: $11.0m loss; H1 to 30 September2012: $2.3m loss)
- Cash balance of $5.1m at 30 September 2013
  (31 March 2013 - $11m; 30 September2012 - $2.6m)
- Cash balance 30 November 2013 $3.6M
- Further funding required in Q2 2014. The Company continues to be engaged with various parties in respect of additional sources of finance, including equity, for the development of the initial 20 ktpm operation

Joint Report of the Executive Chairman and of the Chief Executive Officer

Introduction

Rick Mills writing in 'ahead of the herd.com'[(1)] noted that: "*Investing in junior gold miners is a speculative business at best, with risk on the downside but the potential for significant reward on the* *upside.*" Mills goes on to say that the "*the pay-off comes when a project is brought into production, gets joint ventured, or is sold by the junior.*" He acknowledges that "*the current investment market for junior gold companies is arguably one of the worst since the United States went off the Gold Standard in 1971*" and goes on to advise that in this environment companies should have the following key attributes:

- Established track record
- Experienced and competent management teams
- Established mineral resources
- Projects in safe and stable jurisdictions of the world
- Strategically located properties – existing infrastructure

Since 2004, the Company has raised in excess of $70 million, the lion's share being invested in Zimbabwe. By the end of 2012, shareholders were keen to realise returns on their investment and the Company appointed new management at the beginning of 2013 to do just that. Acknowledging the current market conditions for junior gold miners, the Company set itself a new strategy to convert from a cash hungry explorer to a cash generative mining and development company. To that end, and since our last annual report, we are pleased to give account of significant progress. Key milestones were achieved in 2013 culminating in the publishing of a prefeasibility study on an open pit at Pickstone Peerless ("PFS") with a provisional declaration of 1Moz. of gold in Mineral Reserves. Under the Preferred Option detailed in the announcement on 4 December 2013, the PFS indicated over 10 years of mine life, an anticipated peak production of over 100koz gold per annum and with all-in-sustaining-costs ("AISC") at below $700/oz.

The achievement of the successful PFS undertaken in a compressed time frame and on budget is a demonstration of the experience, competence and energy of the new mining team that was attracted from major industry peers. It has been on the back of the quality of the new team and also the quality of the studies that have been completed that the Company has now signed a Terms Sheet with a major African bank to fully fund the expansion of the Pickstone from 20 ktpm to 50 ktpm. This is a remarkable achievement given the current funding environment.

Scott Wright[(2)] notes that "*markets are affixing so little value to these resources and their mining prospectivity it's pitiful. Investors are literally banking on the notion that there is little to no chance of these deposits ever being developed into a mining operation. At present time there's a* huge *crisis of confidence in junior gold explorers*". Consequently the funding environment has continued to be very difficult for exploration and junior mining companies in particular in relation to early stage projects. This is a situation that must at some stage change otherwise there would be few new sources of minerals coming on stream. It is therefore very fortunate for the Company that we have been able to move our Pickstone Peerless gold project to an advanced stage. The Terms Sheet is subject to customary due diligence review and credit committee approval, and also to AFCR securing equity for the initial plant construction.

The Company, as a result of its past exploration and acquisition successes, has many other properties that are very prospective and given our current understanding, we believe to be of great value, notably Gadzema and Kalengwa. As a continuation of the Company's current strategy adopted in 2012 on the heels the increased license fees (claim holding costs in Zimbabwe having recently been increased by over 5,000%) and also the current funding environment, difficult decisions have been made as to where to continue funding and as to what to reduce or abandon. We have taken the opportunity to review the status of each of these projects later in this report.

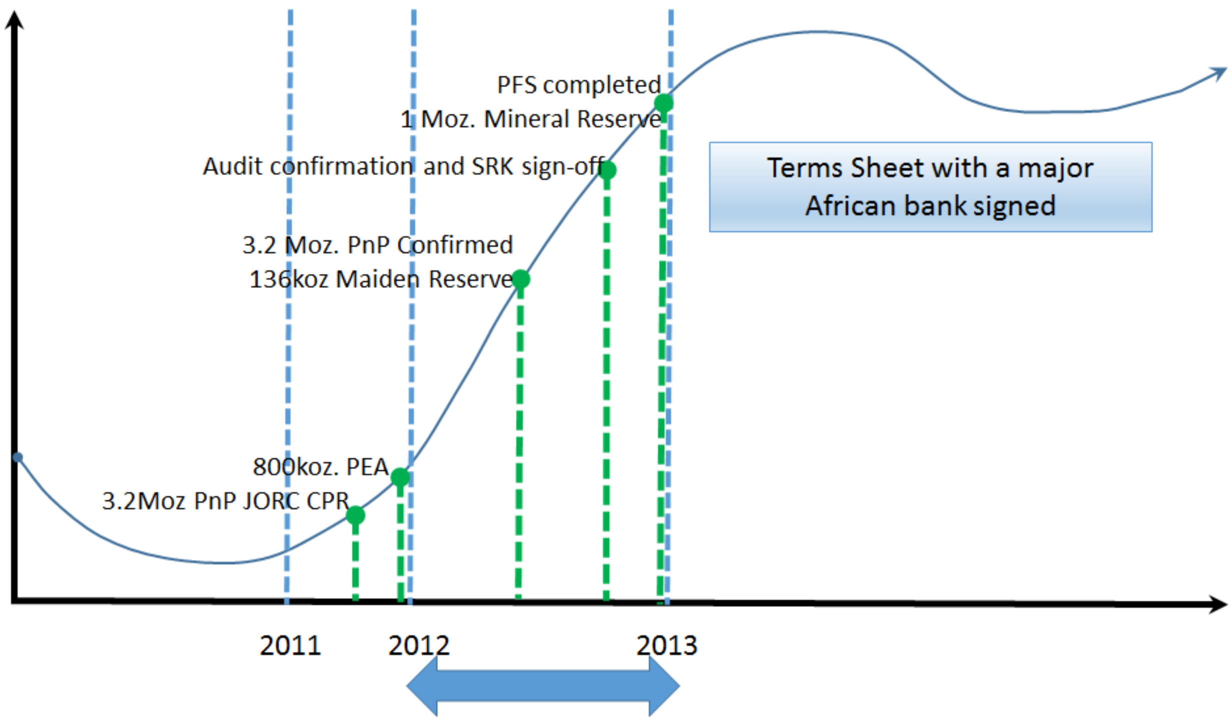
We are optimistic about the emerging political situation in Zimbabwe. The newly elected government is bedding down and appears to be taking real steps to adopt rational and more business-friendly policies. We look forward to continue to working with them.

Pickstone Peerless

We are very pleased to be able to report significant progress since we last reported. A PFS on what we previously described as the 800,000oz open pit at the Pickstone Peerless gold mine has been completed and a 1Moz Mineral Reserve has now been provisionally declared. A full JORC-compliant report is expected to be published soon and production of first gold is estimated to take place within 11 to 14 months of project finance being secured. This development now positions the Company as an emerging mid-tier gold company, transforming itself from exploration status to a mining and development company.

It may be worthwhile to pause and consider the recent achievements. In September 2012 the Company declared a significant upgrade to its Mineral Resources at Pickstone Peerless from just over 500 koz to 3.2 Moz. This was succeeded by a second declaration in June 2013 which was then audited by Dr Ferdi Camisani (ex-Chairman of SAMREC, current associate of SRK and one of South Africa's leading geostaticians), and confirmed by SRK South Africa.

Key Milestones achieved with the Pickstone Peerless gold project



As a result of the Mineral Resources established this enabled, a PFS to be undertaken in order to outline:

- the economic Mineral Reserves;
- the optimization of the Mineral Reserve;
- and the design and engineering work to map out
    - process flow,
    - development costs,
    - timelines,

- and the NPV, IRR, and CAPEX payback period of a vertically-integrated mining operation.

The Company has now provisionally declared 1Moz of Mineral Reserves based upon a baseline PFS scenario, including a gold price of $1,300/oz and a cut off grade at 0.4g/t. The optimization of the Mineral Reserve confirms the preliminary economic assessment ("PEA"), carried out in 2012 identifying a significant high grade open pit opportunity. The PFS optimization of the Mineral Resource and Reserve has determined that, under the Preferred Option, the ore-body can yield approximately 5.0 g/t to the plant for the first 8 years of operation and provide an accelerated payback period of 50 months assuming a flat line gold price of $1,300/oz or 56 months assuming a flat line gold price of $1,100/oz.

When we last reported to you on 4 September 2013, there was an expectation that following the completion of the Definitive Feasibility Study ("DFS") on the oxide cap at Pickstone Peerless the oxide cap would be mined on a stand-alone basis (Phase 1) followed later by the development of the higher grade sulphides after Phase 1 had been running sustainably for some two years. It was noted in the Chairman's Report, however, that we did not rule out developing both phases as one. That is what we now propose to do following the detailed results of the PFS combined with the continued relative weakness of the gold price. This has the effect of increasing the initial capital cost, but the benefits of significantly increasing the NPV on a discounted cash flow basis; immunising the project to any further fall in the gold price; and importantly, allowing the possibility of bank debt financing options.

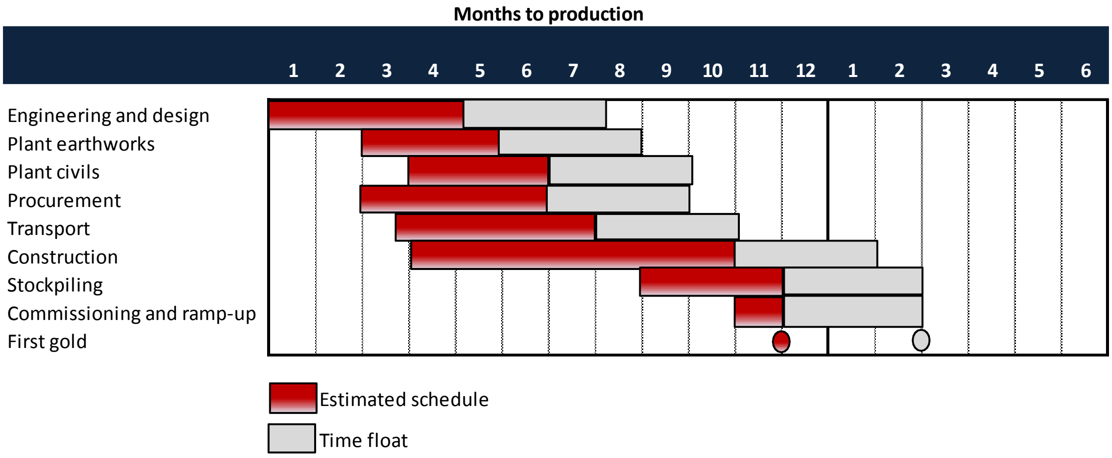
As announced on 4 December 2013, the PFS evaluated 14 different mining options. The preferred option ("Preferred Option") indicates a profit optimising cut-off at 1.75 g/t yielding an optimal mineral inventory of 766 koz at 5.1 g/t. This is determined as the "sweet" spot. In order to mine the "sweet" spot, the open pit and plant processing has to be decoupled. Mining will advance at a faster rate of production than the mill feed rate. The building of discrete stockpiles will allow a consistent feed rate to the plant at a consistent pre-determined grade as dictated by the detailed stock feed schedule and we consider that this strategy unlocks the maximum shareholder value.

Under the Preferred Option, the initial capital estimate has had to be revised to accommodate four months of stockpiling and initial mining development appropriate to the eventual larger scale of operation and to access the high grade sulphide material faster. A larger amount of rock has to be mined or moved up front. Nevertheless, the initial capital investment remains at half the anticipated capital investment defined by the 2012 PEA. The detail of this is fully described in the PFS executive summary available on the Company's website www.afcrplc.com.

As a result of this, although the initial capital estimated for the plant build remains unchanged, with the increased cost of stockpiling and initial development the initial funding required to maximise value on the Preferred Option is $27.3M excluding allocation of internal costs. This now includes some $9.7M for stockpiling. Stockpiling was already envisaged as a cost when initial funding was estimated for Phase 1 alone, but the figure is now $8.0M higher due to the much increased amount of material to be moved. Other options gave an initial funding requirement as low as $19.3M but at a substantial cost to the NPV (NPV of $112M under this scenario, compared to $186M under the Preferred Strategy, both calculated at $1,300/oz). The adoption of the Preferred Option mirrors the results of the preliminary economic assessment undertaken and reported on 4 December 2012.

This level of funding should be sufficient to achieve production on the oxides on the basis of processing 20,000 tonnes per month. Thereafter, further CAPEX will be required to expand production to 50,000 tonnes per month and to deal with sulphide ore, but it is believed that whatever is necessary can all be funded by a loan facility. We are very pleased that, as announced, a major African bank has agreed such a facility, with an indicative Terms Sheet having been agreed subject to customary due diligence, credit committee approval and also to AFCR securing equity for the initial plant construction.

The construction timeline has been reviewed in the light of and subject to capital funding, notwithstanding emerging and encouraging developments in Zimbabwe. Notably, production of first gold is estimated to take place within 11 to 14 months of project finance being secured.



**caveat emptor Construction timetable triggered after capital raising*

As we have indicated, the combination of the two phases into one project makes the project very robust to any further lowering of the gold price. At a gold price of $1,100/oz and with a royalty assumption of 7% (the current rate in Zimbabwe albeit under review to between 3% to 5%) the life of mine average all in sustaining cost (AISC) is approximately $653/oz and the average AISC for the first five years following from conversion from oxide to sulphide plant ("Steady State") is approximately $427/oz. This compares with an industry average AISC in Q2 2012 of $1,300/oz (under Dundee Capital Markets report August 2013).[3] The equivalent cash costs for the Preferred Option are approximately $428/oz and approximately $304/oz (Life of Mine and Steady State, respectively).

We reproduce here the table showing the PFS results at varying gold price assumptions as set out in the PFS Announcement of 4 December 2103.

Assumed gold price over LOM	**(US$/oz)**	**1,500**	**1,300**	**1,100**
Upfront capital expenditure	(US$'m)	27.3 ****	27.3 ****	27.3 ****
Gold production:				
• Total recovered (LOM)	(koz)	766	766	766
• First 8 years	(koz)	608	608	608
• Avg annual steady-state* production	(koz)	97	97	97

Cost of production:				
• Avg LOM Cash Cost	(US$/oz)	432	430	428
• Avg LOM AISC ***	(US$/oz)	685	669	653
• Avg steady-state* Cash Cost	(US$/oz)	308	306	304
• Avg steady-state* AISC ***	(US$/oz)	459	443	427
Avg annual steady-state* free cash flow**	(US$'m)	78	65	53
Payback	(months)	46	50	56
$NPV_{10\% \text{ Real}}$ (USD'm)	(US$'m)	247	186	124

* *Steady-state refers to the 5-year period immediately following conversion from oxide to sulphide plant*

** *Free cash flow refers to cash after all capital expenditure and normal income tax*

*** *Includes a 7% royalty*

**** *Does not include corporate costs*

Whilst these results are a clear demonstration of the significant value added to the Company, it is also a significant contribution to Zimbabwe. Pickstone Peerless represents the largest ever open pit gold mine to be mined in the Country's history. This asset is of national importance and will go a long way to re-establishing Zimbabwe's gold mining industry. We believe that the government recognises this and the potential of this project to make a significant impact on the reconstruction and development of Zimbabwe's rebirth.

The completion of the DFS followed by the PFS is testament to our new mining team's skill, energy and experience. Whilst the retaining of such a talented team has necessarily incurred additional costs, costs which some have questioned, the results speak for themselves. Moreover, the team has been able to demonstrate that it has reason to believe that it will be able to bring the mine to first production for half the amount that was estimated in the 2102 PEA (of $60 million).

Funding options and strategies

As noted above, a Terms Sheet has been signed and management is now engaged in undertaking the required due diligence with its intended finance partner. A condition precedent is that the initial development in order to get the oxides into production is undertaken with equity capital. Consequently, management is now focusing attention on raising the initial capital required for the development of the initial 20 ktpm operation.

A number of options present themselves namely: joint venturing, separate listing of the asset, selling the asset outright and/or a partial sell down. Given the funding investment climate for juniors any substantial raising of additional capital at the AFCR shareholder level may be sub-optimal and we intend as far as possible to raise this on a project basis. We nevertheless remain confident that the stockmarket will recognise the value of the Company and reflect this in the share price, thereby strengthening the management's negotiating position.

Other Projects

In line with the strategy of focussing on Pickstone Peerless because of its near term cash generation, expenditure on other assets has been kept to a minimum this year and, as disclosed in the Annual Report, certain non-core exploration assets were impaired at the full year-end. It is the intention of management to revisit its exploration portfolio once the Company is in a strong cash position. At this time, management's energies are focused on ensuring the Company returns value to shareholders in the shortest possible time frame and become cash generative and self-financing.

Zimbabwe

Gadzema

Primary commodity target: Gold

Gadzema remains a key project and is highly prospective. It covers a substantial area, has an existing JORC Resource of 1.09Moz and is open along strike and at depth. We will continue to develop this project as soon as we have generated cash or raised cash at an acceptable cost with which to do this. We are retaining all our Gadzema claims notwithstanding the much increased cost of holding them.

Chakari Gold

Primary commodity target: Gold

This remains a green field but highly prospective project with only surface exploration achieved to date. Further significant exploration awaits funding, but claim holdings have been maintained on key trends. It is a natural extension of the Dalny Mine

Perseverance Nickel

Primary commodity target: Nickel

No current work done due to current economic circumstances. Claim holding has been reduced to a skeleton.

Chishanya

Primary commodity target: Phosphate

Claims have been reduced to a skeleton holding over Phosphates mineralisation at Baradanga Hill.

Snakes Head PGE

Primary commodity target: Platinum group metals

An economic review has been carried out and as indicated in the last Annual Report this has concluded that low grade and remote location makes the project uneconomic with current PGE prices. Claim holdings have been reduced to a key strip.

Zambia

Kalengwa Copper Mine

Primary commodity target: Copper

The legal issues surrounding this key project were fully addressed in the Chairman's Report in the last Annual Report. There is an occupier of the site in contempt of a Supreme Court Order and Contempt of Court Proceedings are set down for hearing in the Supreme Court for 14 January 2014.

Kalengwa/Kasempa Exploration

Primary commodity target: Copper

This is an advanced exploration project targeting iron-oxide copper-gold model with Cu-Au mineralisation on the margin of an intrusive syenite body.

Mapping and aeromagnetics over the Jikambo Cu-Au anomaly have been completed this year and have identified an Iron Oxide Copper Gold target with a massive ironstone core with Cu and Au on the margins. Future exploration activity will require drilling for economic intercepts of Cu-Au or Fe. 2,000m RC drilling is planned subject to funding availability.

Nkombwa Hill Phosphates and Rare Earths

Primary commodity target: Rare Earths

A road has been cut to top of mountain to allow drill rig access. Our farm-in partner Galileo has defaulted on planned drilling programme due to lack of funds. New funding and work programme is needed next year to progress this promising carbonatite project.

Diamond exploration in the south of the lease on several kimberlite/lamproite pipes found by De Beers in the 1970s has returned good indicator minerals. The indicator grains will be sent to specialist labs for microprobe geochemistry in order to prioritise the pipes for further exploration.

Romania

Primary commodity target: Polymetallics

The MoU between AFCR and the State Mining Company, REMIN, has expired but is agreed in principle to be extended for an additional six months due to the delay in implementation of the new mining legislation. Our preliminary studies on PESTEL issues (Politics, Environment, Social, Technology, Economics and Legal) are complete and have not raised any red-flag issues.

We have completed a comprehensive six month due diligence exercise on the mining assets of REMIN. Scoping study economics have been completed and these have demonstrated economic potential.

We believe that further expenditure of any materiality on Romania should be separately funded and to this end we are engaged with major companies to consider joint ventures or other financing arrangements.

Indigenization

The Company recognises the importance of the indigenization process and has made it a high priority to ensure that the implementation of that process is beneficial for all stakeholders including our existing shareholders and the local community at Pickstone. To enable the Company to achieve these goals we have studied the impact of various alternatives for implementation and we have retained the services of a leading Zimbabwean investment banking and asset management group who have significant experience and knowledge in this field. On the basis of the outcomes of the PFS and in the light of transition to mining from exploration, management regards that it is now timely to engage with the authorities and conclude its indigenization certification. The Company is in the course of preparing an indigenization proposal which will be presented to the appropriate authorities and committee before disclosure can be made available. The Company seeks to have this matter resolved as early as possible in the new year in support of the funding imperatives and mindful of the importance that is placed on this by the government.

Funding and Conclusion

As indicated above, the Company has an agreed indicative term sheet for loan funding on Pickstone Peerless. However, further funding of at least $20 million will be required, or in preference somewhat in excess of $27.3 million, to fulfil our mining plan on an optimum basis. We are ready to proceed on the mining development front immediately and we have already ordered, budgeted for and part paid for the mill which is the longest lead time element in the commissioning of the Pickstone Peerless mine. We are therefore currently pursuing opportunities on several different bases to secure the funding we need, and we intend as far as possible to raise this on a project basis so as to reduce dilution at the AFCR shareholder level. The cash position of the Company at 30th November 2013 was approximately $3.6 million.

We believe that the Pickstone Peerless mine is an exceptional opportunity with costs of production far below the world average. The open pit is only the start, and with the eventual development of the underground we see a potential life of at least 40 years. The Company is therefore now in a pivotal position.

Roy Tucker
Executive Chairman

Craig Hutton
Chief Executive Officer

(1) Mills, Richard. (March 2013). Picking a Junior Gold Company in a Bad Market. Ahead of the Herd. Retrieved from http://aheadoftheherd.com/Newsletter/2013/Picking-a-Junior-Gold-Company-in-a-Bad-Market.htm

(2) Wright, Scott. (August 2013). Junior Gold Confidence Crisis. ZealLLC.com. Retrieved from http://www.zealllc.com/2013/jnrcocrpf.htm

(3) Dundee Securities Ltd (August 2012). Q2, Producers Feel the Big Squeeze. New Idea Precious Metals Report. Retrieved from research.dundeecapitalmarkets.com/en/~/media/.../Golds081712.

The technical elements of this report have been reviewed by Mr Craig Hutton PrSciNat, MBA, BComm, HND Economic Geology, a member of the South African Council for Natural Scientific Professions, Managing

Director and Chief Executive Officer of AFCR. Mr Hutton meets the definition of a "qualified person" as defined in the AIM Note for Mining, Oil and Gas Companies. *Craig Hutton consents to the publication of this report.*

Glossary of Technical Terms

Term	**Explanation**
Au	chemical symbol for gold
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy
NPV	net present value
Reserve	mineral reserve as defined by the JORC Code 2004
Resource	mineral resource as defined by the JORC Code 2004
reverse circulation drilling or "RC"	rotary percussion drilling whereby the sample is returned from the cutting head inside the rod string to surface thereby avoiding contamination from the walls of the hole
sulphide	sulphur bearing metallic mineral
UNITS	
g	gramme
g/t	grammes per metric tonne – metal concentration
koz	thousand ounces
kt	thousand metric tonnes
ktpm	thousand metric tonnes per month
Moz	million ounces
oz	fine troy ounce equaling 31.1048 grammes – normal unit used in selling gold

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Group statement of comprehensive income

for the six months ended 30 September 2013

	Notes	**For the six months ended 30 September 2013 Group $'000**	**For the year ended 31 March 2013 Group $'000**	**For the six months ended 30 September 2012 Group $'000**
Revenue		-	-	-
Share options (expenses)/write back		(131)	(326)	(3)
Other administrative expenses		(2,206	(6,676)	(2,444)
Impairment of intangible assets		-	(4,018)	-
Administrative expenses		(2,337)	(11,020)	(2,447)
Operating loss		(2,337)	(11,020)	(2,447)
Finance income		2	4	2

Loss before and after taxation attributable to the equity holders of the parent company	3	(2,335)	(11,016)	(2,445)
Other comprehensive income				
Gain on available for sale financial assets		(7)	25	104
Total comprehensive loss attributable to the equity holders of the parent company		**(2,342)**	**(10,991)**	**(2,341)**
Loss per share – basic and diluted	3	(0.43) cents	(2.01) cents	(0.52) cents

Group statement of changes in equity

for the six months ended 30 September 2013

	Share capital account	Share premium account	Share option reserve	Foreign currency translation reserve	Available for sale reserve	EBT reserve	Retained earnings/ (losses)	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 March 2013	**14,004**	**62,751**	**331**	**(1,843)**	**31**	**(3,944)**	**(27,428)**	**43.902**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(2,335)**	(2,335)
Other comprehensive income	-	-	-	-	(7)	-	-	**(7)**
Total comprehensive loss for the year	-	-	-	-	(7)	-	(2,335)	**(2,342**
Share option charges	**-**	**-**	**131**	**-**	**-**	**-**	**-**	131
Shares issued:								
- to settle liabilities (including Directors)	71	106	-	-	-	-	-	**177**
At 30 September 2013	**14,075**	**62,857**	462	**(1,843)**	**24**	**(3,944)**	**(29,763)**	41,868
At 31 March 2012	**7,908**	**48,483**	**5**	**(1,855)**	**6**	**(2,468)**	**(16,412)**	**35,667**
Loss for the year	-	-	-	**-**	**-**	-	(11,016)	**(11,016**
Other comprehensive income	-	-	-	-	25	-	-	**25**
Total comprehensive loss for the year	-	-	-	-	25	-	(11,016)	**(10,991)**
Share option charges	**-**	-	326	-	-	-	-	**326**
Write off of investment	-	-	-	12	-	-	-	**12**
Shares issued:								
- for cash consideration	5,094	11,827	-	-	-	-	-	**14,921**
- to settle liabilities (including Directors)	757	2,032	-	-	-	-	-	**2,789**

- to the EBT	246	1,229	-	-	-	(1,475)	-	**-**
- share issue costs	-	(821)	-	-	-	-	-	**(821**
At 31 March 2013	**14,004**	**62,751**	**331**	**(1,843)**	**31**	**(3,944)**	**(27,428)**	**43.902**

Group statement of changes in equity (continued)
for the six months ended 30 September 2013

	Share capital account	Share premium account	Share option reserve	Foreign currency translation reserve	Available for sale reserve	EBT reserve	Retained earnings/ (losses)	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 31 March 2012	**7,908**	**48,483**	**5**	**(1,855)**	**6**	**(2,468)**	**(16,412)**	35,667
Loss for the period	-	-	-	-		-	(2,445)	**(2,445)**
Other comprehensive income	-	-	-	12	104	-	-	**116**
Total comprehensive loss for the year	-	-	-	12	104	-	(2,445)	**(2,329)**
Credit in respect of share option charges	-	-	3	-	-	-	-	**3**
Shares issued:								
- for cash consideration	1,715	1,715	-	-	-	-	-	**3,430**
- to the EBT	246	1,230	-	-	-	(1,476)	-	**-**
- in respect of fees	54	121	-	-	-	-	-	**175**
- share issue costs	-	(156)	-	-	-	-	-	**(156)**
At 30 September 2013	**9,923**	**51,393**	**8**	**(1,843)**	**110**	**(3,944)**	**(18,857)**	**36,790**

Group statements of financial position
As at 30 September 2013

	Note	30 September 2013 Group $'000	31 March 2013 Group $'000	30 September 2012 Group $'000
Assets				
Non-current assets				
Intangible assets	4	32,319	28,841	30,255
Property, plant and equipment		3,133	2,929	2,872
		35,452	31,770	33,127
Current assets				
Inventory		32	12	6

Receivables	1,799	1,905	1,798
Available for sale investments	83	90	169
Cash and cash equivalents	5,087	10,962	2,516
Total current assets	7,001	12,969	4,489
Total Assets	**42,453**	**44,739**	**37,616**
Equity and Liabilities			
Capital and reserves attributable to equity holders of the Company			
Called-up share capital	14,075	14,004	9,923
Share premium account	62,857	62,751	51,393
Available for sale reserve	24	31	110
Share option reserve	462	331	8
Foreign currency translation reserve	(1,843)	(1,843)	(1,843)
EBT reserve	(3,944)	(3,944)	(3,944)
Retained earnings	(29,763)	(27,428)	(18,857)
Total equity	41,868	43,902	36,790
Current liabilities			
Trade and other payables	585	837	826
Total current liabilities	585	837	826
Total Equity and Liabilities	**42,453**	**44,739**	**37,616**

Group statements of cash flow

for the six months ended 30 September 2013

	For the six months ended 30 September 2013 Group $’000	**For the year ended 31 March 2013 Group $’000**	**For the six months ended 30 September 2012 Group $’000**
CASH FLOW FROM OPERATING ACTIVITES			
Loss for the year	(2,335)	(11,016)	(2,445)
Adjustments for:			
Depreciation	19	59	34
Impairment charge on intangible assets	-	4,019	-
Write off of revaluation reserve in subsidiary	-	12	12
Unrealised exchange (gain)/loss on cash and cash equivalents	(43)	162	(37)
Finance income	(2)	(4)	(2)

(Loss)/profit on sale of property, plant and equipment	-	38	37
Liabilities settled in shares	177	2,789	175
Share option expense/(write back)	131	326	3
	(2,053)	(3,615)	(2,223)
Changes in working capital:			
Increase in receivables	106	(882)	(773)
Decrease in inventories	(20)	(2)	3
Decrease/(Increase) in payables	(252)	378	367
	(166)	(506)	(403)
Cash used in operations	(2,219)	(4,121)	(2,626)
Investing activities:			
Payments to acquire intangible assets	(3,336)	(3,654)	(1,198)
Payments to acquire property, plant and equipment	(365)	(235)	(4)
Proceeds on disposal of property, plant and equipment	-	-	-
Interest received	2	4	2
	(3,699)	(3,886)	(1,200)
Financing Activities:			
Proceeds from the issue of ordinary shares, net of issue costs	-	16,100	3,274
(Decrease)/Increase in cash and cash equivalents	(5,918)	8,093	(552)
Cash and cash equivalents at beginning of year	10,962	3,031	3,031
Exchange (loss)/gain on cash and cash equivalents	43	(162)	37
Cash and cash equivalents at end of year	**5087**	**10,962**	**2,516**

Interim report notes

1 Interim Report

The information relates to the period from 1 April 2013 to 30 September 2013.

The interim report was approved by the Directors on 18 December 2013.

The interim report, which is unaudited, does not include all information required for full financial statements and should be read in conjunction with the Group's consolidated annual financial statements for the period ended 31 March 2013.

2 Basis of preparation

a) The unaudited condensed interim financial statements for the six months ended 30 September 2013 do not constitute statutory accounts and have been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ended 31 March 2013, which are not expected to be significantly different to those set out in note 1 to the Group's audited financial statements for the year ended 31 March 2013

b) These interim financial statements consolidate the financial statements of the Company and all its subsidiaries.

c) After review of the Group's operations, 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.

3 Loss per share

		For the six months ended 30 September 2013 Group	For the year ended 31 March 2013 Group	For the six months ended 30 September 2012 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:		547,342,776	546,015,681	451,342,074
Losses for the Group for the year are:	($'000)	(2,335)	(11,016)	(2,445)
Loss per share basic and diluted		(0.43cents)	(2.01cents)	(0.52cents)

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

4 Intangible assets

Group	**Deferred exploration costs**	**Mining options**	**Total**
	$'000	**$'000**	**$'000**
Cost at 31 March 2013	**24,246**	**4,595**	**28,841**
Additions during the year	**3,478**	-	**3,478**
Disposals during the year	**-**	-	**-**
Cost at 30 September 2013	**27,724**	**4,595**	**32,319**
Cost at 31 March 2012	23,877	5,019	28,896

Additions during the year	3,796	167	3,963
Disposals during the year	(3,427)	(591)	(4,018)
Cost at 31 March 2013	**24,246**	**4,595**	**28,841**
Cost at 31 March 2012	23,877	5019	28,896
Additions during the year	1,359	-	1,359
Disposals during the year	-	-	-
Cost at 30 September 2012	**25,236**	**5,019**	**30,255**

5 Financial information

The financial information for the year ended 31 March 2013 has been extracted from the statutory accounts for that period. While the auditors' report for the year ended 31 March 2013 was unqualified, it did include an emphasis of matters concerning the political and economic stability in Zimbabwe, 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 21 of the Final Results for the year to 31 March 2013, released elsewhere on this website on 4 September 2013.