



30 September 2013

**Xtract Resources Plc  
("Xtract" or "the Company")**

**Half Year Results**

Xtract Resources Plc (AIM: XTR) announces its unaudited interim results for the six months ended 30 June 2013. The first half of the year has been a period of significant transition for Xtract. The Company has returned a profit, strengthened its board and management team and outlined a new strategy for the future focusing on identifying and investing in near term production resource assets.

**Financial Highlights**

- Net profit of £0.01 million (30 June 2012: £8.27 million loss)
- Operating expenses of £0.25 million significantly reduced (30 June 2012: £1.03 million)
- Cash of £0.60 million (31 December 2012: £0.22 million)
- Net assets of £1.26 million (31 December 2012: £1.37 million)

**Operational and Corporate Highlights**

- Xtract and its partners relinquished Danish Licences with no further liability remaining
- Xtract International Limited disposed of its entire holding in Equus Mining Limited, receiving gross proceeds of AUS\$980K (£684K)
- Jan Nelson (former CEO of Pan African Resources) appointed to the Board as Chief Executive Officer
- Joel Silberstein (formerly of European Goldfields Limited) appointed Chief Financial Officer
- Xtract Energy Plc name changed to Xtract Resources Plc
- Board approved a clear new strategy and investment framework to invest in near-term resource assets

**Post-period Event**

- Heads of Agreement signed on a proposed Joint Venture with Polar Star Mining Corporation on the Mejillones Phosphate Property in Chile.

Colin Bird, Executive Chairman of Xtract commented, "We have almost completed our new road map for the Company and made the necessary management changes to fulfill the mission. I expect the second half of the year to see more progress in our stated mission"

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## **CHIEF EXECUTIVE OFFICER'S REVIEW**

Having joined the Board of Xtract on 28 May 2013, this is my first interim report as the Chief Executive Officer of Xtract. The first six months of 2013 have been a period of consolidation continuing the process which was initiated in late 2012 of divesting of its oil and gas projects, re-organising the financial structure of Xtract as well as focusing on reducing annual running costs.

### **Board changes and new strategy**

Following my appointment to the Board in May 2013, the Board set out to identify assets that are undervalued and have low entry cost to acquire.

The Board approved an investment framework to identify and invest a portfolio of near-term resource assets that:

- Are near to or at surface and will not incur major capital development expenditure
- Can be brought into production within 2 years
- Are on the low end of the cash cost curve for the commodity
- Have significant upside growth potential
- Focus will be on assets which have robust evaluation parameters, low entry cost and located in favorable mining jurisdictions with potential for an early exit should evaluation results not meet the Company's investment criteria

The Board sees opportunities due to the on-going difficult financing climate, to access underperforming assets at cheaper entry prices. The Board has reviewed a number of potential acquisitions and joint venture opportunities and looks forward to completing agreements in the second half.

### **Denmark**

Through its wholly owned Danish subsidiary, Elko Energy A/S, Xtract held a 33% working interest in licence 01/11 and in the adjoining exploration and production licence 02/05 in the central part of the Danish sector of the North Sea. Norwegian Energy Company ("Noreco") was the operator for the licences with the Danish North Sea Fund as the third partner.

The partners selected a location for drilling the 'Luna' prospect on license 01/11, which had been chosen to test the Rotliegendes play in the optimum position in terms of reservoir quality, thickness and hydrocarbon charge for the combined prospective area.

On 16 March 2012, the Company announced that the Luna well had not encountered hydrocarbons and the partners analysed in detail the extensive new data obtained from drilling the Luna well and concluded that proceeding into the next phase of the 01/11 and 02/05 licence terms was not justified, due to the lack of attractive exploration prospectivity. On 6 February 2013 it was announced that the partners had jointly relinquished licences 01/11 and 02/05 in the Danish sector of the North Sea with no further spend or liability remaining.

### **Sale of Holding in Equus Mining Limited**

On 14 February 2013 Xtract disposed of its entire holding in Equus Mining Limited ("Equus"). The Company's 14 million shares in Equus were sold at a price of Aus\$0.07 per share, resulting in a gross consideration of AUS\$ 980K (£648K) before dealing costs.

Xtract originally received 140 million shares in Caspian Oil & Gas Limited, an Australian listed company which has since changed its name to Equus Mining Limited following a 10 to 1 share consolidation. The shares in Equus were classified by the Company as an asset held-for-sale. The shares were originally acquired on 3 May

2012 when an agreement was completed with Santos International Holdings ("Santos") releasing Santos from certain funding obligations.

#### **Investment in Global Oil Shale Group Limited ("GOS")**

The Australian Julia Creek Oil Shale disposal to GOS has been completed and GOS is doing all that is necessary to consolidate its position within the local and national government jurisdictions. GOS has advanced technical work and put in place a short-term programme designed to add significant incremental value prior to a proposed public market listing. GOS also continues to advance the other oil shale projects within its oil shale portfolio.

The Xtract Board consider that the sale of the Julia Creek Oil Shale asset in return for 6 million shares in GOS, with a further 1.5 million in the event of an IPO, will result in a valuable balance sheet asset.

#### **Post period**

#### **JV with Polar Star Mining Corporation on Mejillones Phosphate Property in Chile (the "Property")**

The proposed Mejillones joint venture in Chile marks the first step of the Company's new strategy. Xtract has the right to earn-in up to 75% of the Property, with the potential to buy the remaining 25%.

The first phase is for 51% of the project by reimbursing Polar Star for its 2013 license fees, amounting to US\$50k and submitting a report determining and defining the potential size of the Property, and understanding the distribution of the phosphate in the host rock mass.

Should Xtract elect to continue with the project the second phase to the Company will be granted a further 24% by spending a US\$ 1 million to produce a Preliminary Economic Assessment by 30 November 2015, taking Xtract's holding in the Property to 75%. Should Xtract earn 75% of the project then each party will fund its own position to develop a phosphate producing mine. Polar Star will have the right to co-invest after Xtract has earned into its initial 51%.

The Mejillones property is within 15 km of the deep water sea port at Antofagasta on the Chilean coast. Existing archive data suggest that the Property is capable of sustaining a significant operation and the phosphate can be upgraded to a marketable product.

The technical fundamentals and location of this prospect are considered to be exceptional when compared to other emerging phosphate projects.

Further opportunities are currently being investigated with the ability to generate immediate cash flow.

#### **Outlook**

We are looking forward to reporting an improved financial and operating performance in the coming year, and building shareholder value, by implementing the Company's new strategy.

Jan Nelson  
Chief Executive Officer

**Xtract Resources PLC**  
**Condensed consolidated Income Statement**  
**For the six months ended 30 June 2013**

	Notes	Six months ended		Year ended
		30 June 2013	30 June 2012	31 December 2012
		Unaudited £'000	Unaudited £'000	Audited £'000
<b>Continuing operations</b>				
Administrative and operating expenses		(251)	(1,029)	(1,573)
Impairment of held-for-sale		-	(196)	-
<b>Operating loss</b>		<b>(251)</b>	<b>(1,225)</b>	<b>(1,573)</b>
Other gains and losses		282	(143)	(158)
Finance income/(costs)		5	(1)	151
<b>Profit /(loss) before tax</b>		<b>36</b>	<b>(1,369)</b>	<b>(1,580)</b>
<b>Profit/(loss) for the period from continuing operations</b>				
Loss for the period from discontinued operations		(27)	(6,900)	(6,012)
<b>Profit/(loss) for the period</b>		<b>9</b>	<b>(8,269)</b>	<b>(7,592)</b>
Attributable to:				
Equity holders of the parent		9	(8,269)	(7,592)
Non-controlling interest		-	-	-
		<b>9</b>	<b>(8,269)</b>	<b>(7,592)</b>
<b>Net Profit/(loss) per share</b>				
Continuing		0.00	(0.09)	(0.09)
Discontinuing		0.00	(0.45)	(0.33)
<b>Basic (pence)</b>	5	<b>0.00</b>	<b>(0.54)</b>	<b>(0.42)</b>
Continuing		0.00	(0.09)	(0.09)
Discontinuing		0.00	(0.45)	(0.33)
<b>Diluted (pence)</b>	5	<b>0.00</b>	<b>(0.54)</b>	<b>(0.42)</b>

**Xtract Resources PLC**  
**Condensed consolidated statement of comprehensive income**

	Six months ended		Year ended
	30 June 2013	30 June 2012	31 December 2012
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
<b>Profit/(loss) for the period</b>	<b>9</b>	<b>(8,269)</b>	<b>(7,592)</b>
Revaluation of available-for-sale investments	145	(83)	146
Revaluation realisation on disposal of available-for-sale investments	(291)	-	-
Exchange differences on translation of foreign operations	13	108	(410)
<b>Other comprehensive loss for the period</b>	<b>(133)</b>	25	(264)
<b>Total comprehensive loss for the period</b>	<b>(124)</b>	<b>(8,244)</b>	<b>(7,856)</b>
Attributable to:			
Equity holders of the parent	(124)	(8,244)	(7,856)
Non-controlling interest	-	-	-
	<b>(124)</b>	<b>(8,244)</b>	<b>(7,856)</b>

## Xtract Resources PLC

### Condensed consolidated statement of changes in equity

	Share Capital £'000	Share premium account £'000	Warrant reserve £'000	Share-based payments reserve £'000	Available-for-sale investment reserve £'000	Foreign currency translation reserve £'000	Accumulated losses £'000	Non-controlling interest £'000	Total Equity £'000
<b>Balance at 1 January 2012</b>	<b>1,533</b>	<b>35,300</b>	-	<b>1,202</b>	-	<b>663</b>	<b>(30,333)</b>	-	<b>8,365</b>
Issue of share capital	14	286	-	-	-	-	-	-	300
Cenkos 2.5% commission on £300,00 SEDA draw down	-	(8)	-	-	-	-	-	-	(8)
Share options lapse	-	-	-	(118)	-	-	118	-	-
Credit to equity for equity settled share based payments	-	-	-	122	-	-	-	-	122
Loss on revaluation of available-for-sale investments	-	-	-	-	(83)	-	-	-	(83)
Foreign currency translation difference	-	-	-	-	-	108	-	-	108
Loss for the period	-	-	-	-	-	-	(8,269)	-	(8,269)
<b>Balance at 30 June 2012</b>	<b>1,547</b>	<b>35,578</b>	-	<b>1,206</b>	<b>(83)</b>	<b>771</b>	<b>(38,484)</b>	-	<b>535</b>
Profit for the period	-	-	-	-	-	-	677	-	677
Foreign currency translation differences	-	-	-	-	-	(786)	268	-	(518)
Revaluation of available-for-sale investments	-	-	-	-	229	-	-	-	229
Issue of Shares – Tiger Resource Finance PLC placing	76	254	-	-	-	-	-	-	330
Share based payment expense	-	-	-	41	-	-	-	-	41
Expiry of share options	-	-	-	(376)	-	-	376	-	-
Issue of Warrants - Cenkos	-	-	78	-	-	-	-	-	78
<b>Balance at 31 December 2012</b>	<b>1,623</b>	<b>35,832</b>	<b>78</b>	<b>871</b>	<b>146</b>	<b>(15)</b>	<b>(37,163)</b>	-	<b>1,372</b>
Share based payment expense	-	-	-	11	-	-	-	-	11
Revaluation of available-for-sale investments	-	-	-	-	145	-	-	-	145
Revaluation realisation on disposal of available-for-sale investments	-	-	-	-	(291)	-	-	-	(291)
Foreign currency translation difference	-	-	-	-	-	13	-	-	13
Profit for the period	-	-	-	-	-	-	9	-	9
<b>Balance at 30 June 2013</b>	<b>1,623</b>	<b>35,832</b>	<b>78</b>	<b>882</b>	-	<b>(2)</b>	<b>(37,154)</b>	-	<b>1,259</b>

**Xtract Resources PLC**  
**Condensed consolidated Statement of Financial Position**  
**As at 30 June 2013**

	Notes	30 June 2013 Unaudited £'000	30 June 2012 Unaudited £'000	31 December 2012 Audited £'000
<b>Non-current assets</b>				
Financial assets available-for-sale	6	720	-	1,223
		<b>720</b>	-	<b>1,223</b>
<b>Current assets</b>				
Financial assets available-for-sale	6	-	273	-
Trade and other receivables		119	346	181
Cash and cash equivalents		600	536	215
		<b>719</b>	<b>1,155</b>	<b>396</b>
<b>Total assets</b>		<b>1,439</b>	<b>1,155</b>	<b>1,619</b>
<b>Current liabilities</b>				
Trade and other payables		180	552	247
Current tax liabilities		-	68	-
<b>Total liabilities</b>		<b>180</b>	<b>620</b>	<b>247</b>
<b>Net current assets</b>		<b>539</b>	<b>535</b>	<b>149</b>
<b>Net assets</b>		<b>1,259</b>	<b>535</b>	<b>1,372</b>

**Xtract Resources PLC**  
**Condensed consolidated Statement of Financial Position (continued)**  
**As at 30 June 2013**

	Notes	30 June 2013 Unaudited £'000	30 June 2012 Unaudited £'000	31 December 2012 Audited £'000
<b>Equity</b>				
Share capital	7	1,623	1,547	1,623
Share premium account		35,832	35,578	35,832
Warrant reserve		78	-	78
Share-based payments reserve		882	1,206	871
Available-for-sale investment reserve		-	(83)	146
Foreign currency translation reserve		(2)	771	(15)
Accumulated losses		(37,154)	(38,484)	(37,163)
<b>Equity attributable to equity holders of the parent</b>		<b>1,259</b>	<b>535</b>	<b>1,372</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>1,259</b>	<b>535</b>	<b>1,372</b>

**Xtract Resources PLC**  
**Condensed consolidated Cash Flow Statement**  
**For the six months period ended 30 June 2013**

	6 months period ended 30 June 2013	6 months period ended 30 June 2012	Year ended 31 December 2012
Notes	Unaudited £'000	Unaudited £'000	Audited £'000
<b>Net cash used in operating activities</b>	9 <b>(266)</b>	<b>(27)</b>	<b>(540)</b>
<b>Investing activities</b>			
Interest received	-	1	-
Government grants	-	33	-
Acquisition of intangible assets	-	(4,403)	(4,370)
Proceeds from disposal of available for sale investment	<b>648</b>	-	77
<b>Net cash from/(used in) investing activities</b>	<b>648</b>	<b>(4,396)</b>	<b>(4,833)</b>
<b>Financing activities</b>			
Proceeds on issue of shares and warrants	-	-	330
Proceeds on exercise of SEDA	-	293	300
SEDA arrangement fee	-	-	(8)
<b>Net cash from financing activities</b>	<b>-</b>	<b>293</b>	<b>622</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>382</b>	<b>(4,103)</b>	<b>(4,211)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>215</b>	<b>4,488</b>	<b>4,488</b>
Effect of foreign exchange rate changes	<b>3</b>	151	(62)
<b>Cash and cash equivalents at end of period</b>	<b>600</b>	<b>536</b>	<b>215</b>

# **Xtract Resources PLC**

## **Notes to the interim financial statements**

### **For the six months ended 30 June 2013**

#### **1. General information**

Xtract Resources PLC ("Xtract") is a company incorporated in England and Wales under the Companies Act 2006. The Company's registered address is 4<sup>th</sup> Floor, 2 Cromwell Place, South Kensington, London SW7 2JE. On 25 June 2013 the Company changed its name from Xtract Energy PLC to Xtract Resources PLC.

The Company's ordinary shares are traded on the AIM market of the London Stock Exchange. The Company invests and engages in the management, financing and development of early stage resource assets.

#### **2. Accounting policies**

##### **Basis of preparation**

Xtract prepares its annual financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

The consolidated interim financial information for the period ended 30 June 2013 presented herein has been neither audited nor reviewed. The information for the period ended 31 December 2012 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 but has been derived from those accounts. The auditor's report on those accounts was not qualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006 but did draw attention by way of emphasis to the significant uncertainty around the going concern assumption. As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Reporting'.

The interim financial information is presented in pound sterling and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

The interim consolidated financial statements of the Group for the six months ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 23 September 2013.

##### **Going concern**

On 14 February 2013, the Group sold 14 million Equus Mining Limited (formerly Caspian Oil and Gas Limited) shares for a cash consideration of AUS \$980K (£648K).

The Group holds 6 million Global Oil Shale shares with fair value of £720K as at 30 June 2013. On listing, the Company will receive a further 1.5 million shares.

The Group has in place a drawdown equity facility distribution agreement in place with YA Global Master SPV to provide potential funding of up to £12.5 million from an equity line facility over a period of up to three years from the inception of the agreement in August 2012. To date there have been two drawdowns both raising £300K. The facility continues to offer a potential source of funds subject to certain criteria.

The Group is not currently generating revenues from its operations and would not have sufficient cash to make further investments in new projects in line with the Group's new strategy. The Board of Xtract recently approved an investment framework to invest and identify a portfolio of

# Xtract Resources PLC

## Notes to the interim financial statements

### For the six months ended 30 June 2013

#### 2. Accounting policies (continued)

near-term resource assets that:

- Are near or at surface and won't incur major capital development expenditure to bring to account
- Can be brought to account within 24 months to deliver cash-flow return
- Are on the low end of the cash cost curve
- Focus will be on assets which are relatively straight forward to evaluate with low entry cost and located in favourable mining jurisdictions with an early exit should evaluation results not meet the Company's investment criteria

Management believe and are confident that the Company, through future fund raising, will be able to invest in new projects in line with its strategy and will have sufficient funds to settle current liabilities when due, in addition to meeting overheads for the next twelve months.

Therefore the Directors continue to adopt the going concern basis of accounting in preparing the interim financial statements.

#### Changes in accounting policy

In the period ended 30 June 2013, a number of new and revised standards and interpretations were adopted by the Group and included:

IFRS 9 Financial Instruments – Classification and Measurement

IFRS 10 Consolidated Financial Statements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

None of the above standards had any material impact on the financial statements.

Other than the above new standards, the same accounting policies, presentation and methods of computation have been followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

#### 3. Business segments

##### Segmental information

For management purposes, the Group has historically been organised into two operating divisions – oil & gas exploration, evaluation and development and oil shale exploitation. These divisions have been the basis on which the Group reports its primary segment information. Both the Oil and gas and Oil shale groups were discontinued during 2012.

The Group's reportable segments under IFRS 8 are therefore as follows:

- Investment and other;
- Oil & gas exploration, evaluation and development – of the Group's interests in Turkey, the Netherlands and Denmark (this is a discontinuing activity);
- Oil shale exploitation - of the Group's interests in Queensland, Australia and Tarfaya, Morocco. The group discontinued its operations in this sector during December 2012.

**Xtract Resources PLC**  
**Notes to the interim financial statements**  
**For the six months ended 30 June 2013**

**3. Business segments (continued)**

**Segment results**

**6 months ended 30 June 2013**

	Investment and other (Continuing) £'000	Oil & Gas exploration and production (Discontinuing) £'000	Oil shale exploitation (Discontinuing) £'000	Total (Discontinuing) £'000	Total £'000
<b>Segment revenue</b>					
Administrative and operating expenses	(251)	(27)	-	(27)	(278)
<b>Segment result</b>	(251)	(27)	-	(27)	(278)
Other gain and losses	282	-	-	-	282
Finance income/(costs)	5	-	-	-	5
<b>Profit/(loss) before tax</b>	36	(27)	-	(27)	9
Tax	-	-	-	-	-
<b>Profit/(loss) for the period</b>	36	(27)	-	(27)	9

**Segment results**

**6 months ended 30 June 2012**

	Investment and other (Continuing) £'000	Oil & Gas exploration and production (Discontinuing) £'000	Oil shale exploitation (Discontinuing) £'000	Total (Discontinuing) £'000	Total £'000
<b>Segment revenue</b>					
Administrative and operating expenses	(1,028)	(47)	(40)	(87)	(1,115)
Share of results of associates	-	(7,156)	-	(7,156)	(7,156)
Share of results of joint venture	(197)	-	-	-	(197)
<b>Segment result</b>	(1,225)	(7,203)	(40)	(7,243)	(8,468)
Investment revenue	-	-	1	1	1
Finance costs	(143)	(173)	33	(140)	(283)
Other gains and losses	(1)	(1)	-	(1)	(2)
<b>Loss before tax</b>	(1,369)	(7,377)	(6)	(7,383)	(8,752)
Tax credit	-	483	-	483	483
<b>Loss for the period</b>	(1,369)	(6,894)	(6)	(6,900)	(8,269)

**Xtract Resources PLC**  
**Notes to the interim financial statements**  
**For the six months ended 30 June 2013**

**3. Business segments (continued)**

**Segment results**

**Year ended 31 December 2012**

	<b>Investment and other (Continuing) £'000</b>	<b>Oil &amp; Gas exploration and production (Discontinuing) £'000</b>	<b>Oil shale exploitation (Discontinuing) £'000</b>	<b>Total (Discontinuing) £'000</b>	<b>Total £'000</b>
<b>Segment revenue</b>					
Administrative and operating expenses	(1,573)	(13)	(73)	(86)	(1,659)
Impairment of intangible assets	-	(7,120)	-	(7,120)	(7,120)
<b>Segment result</b>	<b>(1,573)</b>	<b>(7,133)</b>	<b>(73)</b>	<b>(7,206)</b>	<b>(8,779)</b>
Finance income/(costs)	151	(133)	1	(132)	19
Other gains and losses	(158)	-	33	33	(125)
<b>Loss before tax</b>	<b>(1,580)</b>	<b>(7,266)</b>	<b>(39)</b>	<b>(7,305)</b>	<b>(8,885)</b>
Profit on sale	-	-	821	821	821
Tax credit	-	472	-	472	472
<b>Loss for the period</b>	<b>(1,580)</b>	<b>(6,794)</b>	<b>782</b>	<b>(6,012)</b>	<b>(7,592)</b>

The accounting policies of the reportable segments are the same as the Group's accounting policies which are described in the Group's latest annual financial statements. Segment results represent the profit earned by each segment without allocation of the share of profits of associates, central administration costs including directors' salaries, investment revenue and finance costs, and income tax expense. This is the measure reported to the Group's Board for the purposes of resource allocation and assessment of segment performance.

<b>Segment Assets</b>	<b>30 June 2013</b>	<b>30 June 2012</b>	<b>31 December 2012</b>
<b>Continuing</b>			
Investment & other	1,355	785	1,530
<b>Discontinuing</b>			
Oil & gas exploration	84	310	89
Oil shale exploitation	-	60	-
<b>Total segment assets</b>	<b>1,439</b>	<b>1,155</b>	<b>1,619</b>

**Xtract Resources PLC**  
**Notes to the interim financial statements**  
**For the six months ended 30 June 2013**

**4. Tax**

At 30 June 2013 the Group has no deferred tax assets or liabilities.

**5. Loss per share**

The calculation of the basic and diluted loss per share is based on the following data:

<b>Losses</b>	<b>Six months ended</b>		<b>Year ended</b>
	<b>30 June 2013</b>	<b>30 June 2012</b>	<b>31 December 2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Profit/(losses) for the purposes of basic earnings per share being net loss attributable to equity holders of the parent	9	(8,269)	(7,592)
<b>Number of shares</b>			
Weighted average number of ordinary and diluted shares for the purposes of basic earnings per share	2,306,105,129	1,542,581,979	1,777,828,843
Profit/(loss) per ordinary share basic and diluted (pence)	0.00	(0.54)	(0.42)

Where a loss has occurred, basic and diluted earnings per share are the same because the outstanding share options and warrants are anti-dilutive.

**Xtract Resources PLC**  
**Notes to the interim financial statements**  
**For the six months ended 30 June 2013**

**6. Financial assets available-for-sale**

Details of the Group's available-for-sale investments as at 30 June 2013 are as follows:

	<b>30 June 2013</b> <b>£'000</b>	<b>30 June 2012</b> <b>£'000</b>	<b>31 December 2012</b> <b>£'000</b>
At beginning of the period	1,223	-	-
Transfer from held-for-sale	-	356	-
Additions	-	-	1,077
Disposal	(357)	-	-
Movement in fair value	(146)	(83)	146
	<hr/>	<hr/>	<hr/>
At the end of the period	720	273	1,223

Available-for-sale investments comprise the Group's investment in unlisted shares, which are held by the Group as strategic investments. On 14 February 2013, the Group sold 14 million Equus Mining Limited (formerly Caspian Oil and Gas Limited) shares for a cash consideration of AUS \$980K (£648K).

**7. Share capital**

	<b>As at</b> <b>30 June 2013</b> <b>Number</b>	<b>As at</b> <b>30 June 2012</b> <b>Number</b>	<b>As at</b> <b>31 December</b> <b>2012</b> <b>Number</b>
Issued and fully paid ordinary shares of £0.1p each	2,306,105,129	1,547,484,439	2,306,105,129
	<b>£</b>	<b>£</b>	<b>£</b>
Issued and fully paid ordinary shares of £0.1p each	1,623,346	1,547,484	1,623,346

**8. Grant of Share options**

During the period ended 30 June 2013, the Company granted a total of 70 million options to directors and employees of the Company with a total aggregate fair value of £90K. These options are exercisable at price of 0.14p – 0.19p per share and vest in 3 tranches, 2 over a 13 month period and the third upon certain performance conditions being met.

**Xtract Resources PLC**  
**Notes to the interim financial statements**  
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9. Cash flows from operating activities

	Six months period ended 30 June 2013 £'000	Six months period ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
<b>Profit/(loss) for the period</b>	<b>9</b>	<b>(8,269)</b>	<b>(7,592)</b>
Adjustments for:			
<b>Discontinued/Discontinuing Operations</b>			
Impairment of intangibles	-	7,156	7,120
Deferred tax movement	-	-	(472)
<b>Continuing Operations</b>			
Investment revenue	-	(1)	-
Finance costs	-	-	78
Impairment of held-for-sale asset	-	197	197
Other losses/(gains)	-	317	(46)
Income tax credit	-	(483)	-
Gain on disposal of investment	<b>(291)</b>	-	<b>(782)</b>
Government grants	-	(33)	-
Depreciation of property, plant and equipment	-	3	3
Share-based payments expense	<b>11</b>	<b>122</b>	<b>163</b>
<b>Operating cash flows before movements in working capital</b>	<b>(271)</b>	<b>(991)</b>	<b>(1,331)</b>
Decrease in receivables	<b>63</b>	1,142	1,281
(Increase)/decrease in payables	<b>(67)</b>	139	(237)
<b>Cash (used in)/ from operations</b>	<b>(275)</b>	<b>290</b>	<b>(287)</b>
Income taxes paid	-	-	-
Foreign currency exchange differences	<b>9</b>	<b>(317)</b>	<b>(253)</b>
<b>Net cash used in operating activities</b>	<b>(266)</b>	<b>(27)</b>	<b>(540)</b>

# **Xtract Resources PLC**

## **Notes to the interim financial statements**

### **For the six months ended 30 June 2013**

#### **10 Related party transactions**

Transactions between Group companies, which are related parties, have been eliminated on consolidation and are therefore not disclosed. The only other transactions which fall to be treated as related party transactions are those relating to the remuneration of key management personnel, which are not disclosed in the Half Yearly Report, and which will be disclosed in the Group's next Annual Report.

#### **Director Transactions**

Lion Mining Finance Limited, a company in which Colin Bird is a Director and shareholder has provided administrative and technical services to the Company amounting to £30K plus VAT in the year. This has resulted in considerable cost savings for Xtract during the period. This amount was no longer outstanding as at 30 June 2013 (2012: None).

#### **11 Events after the balance sheet date**

On 10 July 2013, the Company signed a Heads of Agreement to enter into a Joint Venture with Polar Star Mining Corporation ('Polar Star') on the Mejillones Phosphate and Property in Chile (the "Property"), covering approximately 16,400 hectares.

Upon completion of certain technical work and capital expenditure from existing cash resources, Xtract will have the right to earn-in up to 75% of the Property, with the potential to buy the remaining 25% stake from Polar Star. The Property under consideration targets 60-200 million tons of open pit sedimentary phosphate with a grade of +32% P2O5 post mechanical upgrading and is within 15km of a major port accessible by paved roads.

This transaction marks the first step to of a new strategy adopted by the Board to invest in resource assets with near-term production capability and significant growth potential and the focus will be on assets which are relatively straight forward to evaluate with low entry cost and located in favourable mining jurisdictions.