

For immediate release

30 September 2022

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

Unaudited Interim Results for the six months ended 30 June 2022

Xtract Resources Plc (AIM: XTR), the gold producer, exploration and development company with projects in Australia, Mozambique and Zambia, announces its unaudited interim results for the six months ended 30 June 2022 ("Period").

Highlights

Financial

- Revenue from gold sales of £0.97m (H1 2021: £0.16m)
- Net loss of £0.03m (H1 2021: £2.20m)
- Administration & operating expenses £1.33m (H1 2021: £2.19m (including a share-based payment charge of £1.47m))
- Cash of £1.24m (FY 2021: £8.08m)
- Net assets of £21.25m (FY 2021: £20.66m)
- Total alluvial and hard rock mining contractor gold production of 121.8kg (equivalent to 3,916 ounces) (H1 2021: 22.1kg (equivalent to 711 ounces))
- Total of 23.9kg (equivalent to 769 ounces) attributable to the Company's Mozambican operating subsidiary, Explorator (H1 2021: 6.2kg (equivalent to 199 ounces))

Operational

- The completed Phase Two drilling programme at the Bushranger porphyry copper-gold project succeeded in adding significant extensions to the Racecourse prospect.
- Testing of a geophysical anomaly led to the discovery of a totally new porphyry intrusion at Ascot prospect, approximately 1.5km to the south of the Racecourse Mineral Resource.
- The Ascot discovery hole BRDD-21-035 returned substantial intervals of copper and gold mineralisation over 164m grading 0.35% CuEq from 552m, including 64m at 0.58% CuEq from 552m. Follow up drilling further defined and extended the Ascot discovery.
- The Company will now utilise all the Phase Two drilling data to update the Racecourse prospect mineral resource and define a maiden mineral resource for the Ascot prospect. The open pit mining study for the Racecourse prospect will also be updated
- At the Manica gold project in Mozambique all construction and installation work at the Fair Bride mine was completed and the processing plant has entered into commissioning.
- Clearing and pre stripping were carried out and ore has been stockpiled and hauled to the plant site, with the introduction of low-grade ore to commission all parts of the processing circuit.

Operational Overview

During the period the Company continued with its ongoing assessment of the Bushranger copper-gold project located within the Lachlan Fold Belt district of New South Wales, the foremost porphyry copper-gold belt in Australia.

A Phase Two drilling programme was commenced on the Bushranger Project in July 2021, with the initial goal of extending, and better defining, the Racecourse Mineral Resource, which is currently defined as 71Mt @ 0.44% Cu and 0.064g/t Au, at a 0.3% Cu cut-off. The Phase Two drilling programme was expanded in scope throughout the reporting period to include the testing of Induced Polarisation (IP) MIMDAS ground geophysical anomalies, outside of the current limits of the Racecourse Mineral Resource. Testing of a MIMDAS geophysical anomaly led to the discovery of the Ascot prospect, approximately 1.5km to the south of the Racecourse Mineral Resource, with drill hole BRDD-21-035 returning substantial intervals of copper and gold mineralisation, with a best intercept of 164m at 0.35% CuEq from 552m, which includes 64m at 0.58% CuEq from 552m. Follow up drilling during the Phase Two drilling programme further defined and extended the Ascot discovery.

Immediately following the reporting period, the Bushranger Project Phase two drilling programme was concluded. A total of 49 diamond drill holes were completed at the Racecourse and Ascot Prospects for 33,354.80m of drilling, during the period 15 July 2021 until 9 July 2022. The Phase Two drilling programme was highly successful with significant extensions to the Racecourse prospect porphyry copper-gold mineralisation confirmed and the discovery of a totally new porphyry copper-gold intrusion at the Ascot Prospect.

The Company will now utilise all the Phase Two drilling data to update the Racecourse prospect mineral resource and define a maiden mineral resource for the Ascot prospect. The open pit mining study for the Racecourse prospect, which was completed in April 2021, will also be updated using the new Racecourse mineral resource when it is completed.

The results from the Company's alluvial and hard rock operations were satisfactory, despite a challenging few months of difficult operating conditions with an aggressive rain and cyclone season.

All construction and installation work relating to the Fair Bride hard rock project in Mozambique was completed. At the end June 2022, production at Fair Bride started with the introduction of low-grade ore to commission all parts of the processing circuit.

Summary of Company Projects

Australia

Bushranger Project

During the reporting period the Phase Two drilling programme on the Bushranger Project in central New South Wales continued at a rapid pace. The objectives of the Phase 2 drilling programme at Racecourse and Ascot Prospects were as follows:

1. Extend to the northwest and southeast the currently defined Racecourse prospect Inferred Mineral Resource of 71Mt @ 0.44% Cu and 0.064g/t Au, at a 0.3% Cu cut-off
2. Test a series of IP resistivity low anomalies to determine if the resistivity lows relate to areas of increased intensity of copper mineralisation at the top of the porphyry system in the “crown” position
3. Test the continuity of copper mineralisation on the eastern side of the Central Porphyry Intrusion, with the objective of defining a new Inferred Mineral Resource to complement the existing Racecourse Inferred Mineral Resource which occurs predominantly on the western side of the Central Porphyry Intrusion
4. Determine the extent and grade of the newly discovered copper mineralisation at the Ascot Prospect

The Phase Two drilling programme at the Racecourse Prospect commenced on 15 July 2021 and was concluded, following the conclusion of the reporting period, on 9 July 2022. The overall Phase Two drilling programme comprised 49 diamond drill holes (BRDD-21-007 to BRDD-22-055), completed at the Racecourse and Ascot Prospect for 33,354.80m of drilling.

Phase Two drilling into the Racecourse prospect continued to intersect very broad intervals of moderate strength copper-gold mineralisation grading in the range 0.15 – 0.61% CuEq. On 9 December 2021, the company announced the discovery of a new porphyry system approximately 1.5km to the south-east of the Racecourse Inferred Mineral Resource. Drill holes BRDD-21-033 and BRDD-21-035 intersected porphyry style alteration and trace to moderate strength copper mineralisation. The new prospect was called “Ascot” and follow up drilling was completed with the objective of defining the extents of the Ascot discovery. Drill hole BRDD-21-035 returned substantial intervals of copper and gold mineralisation with a best intercept of 164m at 0.35% CuEq from 552m, including 64m at 0.58% CuEq from 552m. The initial assay results from the Ascot prospect indicated the potential for significant gold enhancement associated with the copper mineralisation and this result encouraged follow up drilling at Ascot. Holes BRDD-21-025, BRDD-21-031, BRDD-21-033, BRDD-21-038, BRDD-22-039 and BRDD-22-044 were drilled as follow up holes into the Ascot prospect. The best result of the follow up drilling at Ascot was returned in drill hole BRDD-21-038 which returned 104m @ 0.24% CuEq from 79m and drill hole BRDD-22-039 which returned 32m @ 0.92g/t Au from 510m. The drill results from the Ascot prospect indicate that this porphyry system does contain more gold zones than the Racecourse deposit for the north. The results at Ascot display similar characteristics to the discovery of the deeper, gold-rich Ridgeway deposit, which is a part of the Cadia-Ridgeway group of porphyry deposits discovered by Newcrest Mining. Ridgeway is a near vertical intrusive complex with an indicated resource of 110Mt at 0.57 g/t Au and 0.3% Cu and is currently under development by Newcrest as an underground mining operation.

Drilling and assay data from the Ascot prospect will be used to complete a maiden mineral resource estimation for the Ascot prospect, which will be finalised prior to the end of 2022.

To assist in the determination as to whether the Ascot and Racecourse prospects, form one continuous mineralised porphyry copper system, an extension MIMDAS geophysical survey was completed from south of the Ascot Prospect through to the existing MIMDAS survey (from May 2021) covering the Racecourse prospect. The results of this MIMDAS survey guided the follow up drilling completed at the Ascot prospect and drilling between the Racecourse and Ascot prospects. Drilling between the two prospects continued to intersect copper-gold mineralisation and it appears the Racecourse and Ascot prospects are centres of more intense copper-gold mineralisation within one larger system consisting of multiple porphyry intrusions, as commonly occurs within the Lachlan Fold Belt.

Drilling at the Racecourse prospect was successful in extending the known copper-gold mineralisation to the north-west, the south-east and at depth. During the reporting period seven drill holes (BRDD-22-041, BRDD-22-042, BRDD-22-043, BRDD-22-047, BRDD-22-048, BRDD-22-053, BRDD-22-054) for 4,968.9m, were completed at the Racecourse prospect. Assay data was also received for drill holes completed at the Racecourse prospect during the previous reporting period. The drilling and assay data gave better definition of the “crown position”, at the top of the Racecourse porphyry intrusion, which appears to contain the highest grades of copper and gold at Racecourse. Drill Hole BRDD-21-018 returned an intersection of 170m of 0.22% CuEq from 520m depth, which includes a higher-grade interval of 12m at 0.41% CuEq from 648m downhole in the “crown position”. The results of drill hole BRDD-21-019 include a wide 202m interval of copper mineralisation grading at 0.27% CuEq from 276m depth, which includes a higher-grade intercept of 18m at 0.67% CuEq from 312m depth, also in the “crown position” atop the Racecourse porphyry intrusion. Hole BRDD-21-021 repeated the success of hole BRD-21-008, with an overall intercept of 280m at 0.36% CuEq from 205m, including a higher-grade interval of 92m at 0.53% CuEq from 205m downhole depth.

The Phase Two drilling at the Racecourse prospect was successful in extending the known copper-gold mineralisation to the north-west, the south-east and at significant depth. Furthermore, the Phase Two drilling data has substantially better defined the higher grade “crown position” at Racecourse and provided a better understanding of the distribution of gold within the Racecourse deposit. The company will now utilise all the Phase Two drilling data to update the Racecourse prospect mineral resource and subsequently will update the open pit mining study for the Racecourse prospect which was previously completed in April 2021. The updated mining study is planned for completion before the end of 2022.

Two drill holes, for 804.4m, were completed at the Footrot Prospect, approximately 5 kilometres to the south of the Racecourse, to test a combined soil geochemical and MIMDAS anomaly. The results from these two holes will be available during the next reporting period.

Mozambique

Mozambique is recognised as a stable mining jurisdiction within a favourable political and legal regime. The Manica Gold Project is situated in the Odzi-Mutare-Manica Greenstone belt, with an estimated 2 million ounces of gold previously mined in the area.

The Fair Bride Project is an open pit and underground project with a combined SAMREC compliant resource of 1.262 million ounces (including 782k ounces Measured and Indicated). In 2019, the Company was given the opportunity to move the Fair Bride Project forward, from development stage to production through a collaboration agreement with Mutapa Mining and Processing LDA, thereby mitigating any execution risk to Xtract.

During the reporting period, all construction and installation work was at Fair Bride was completed, including 6 CIL tanks, thickener, elution circuit, gold room, reagent storage and laboratory. Rectification works were completed on the original crushing and milling circuits and the plant has entered into commissioning.

All clearing and pre stripping were completed and ore has been stockpiled and hauled to the plant site, along the completed new haulage road. At the end of June 2022, Fair Bride production started with the introduction of low-grade ore to commission all parts of the processing circuit.

Zambia

Eureka Project

Copper mineralisation at Eureka occurs within sedimentary rocks along a north-west oriented structural trend. A shallow historic open pit mine was developed by a local operator. Previously reported drilling by Xtract confirmed continuity of the shallow mineralised zone over about 300m of strike, with pockets of exceptionally high copper grades in a partially oxidised supergene zone. A second, possible stratabound mineral style may also represent a target of interest.

No further exploration was undertaken at Eureka during the period pending consideration of options for possible future development.

Financial

During the Period, administration expenses for the Group amounted to £1.33m (H1 2021 - £2.19m). Included within administration expenses is an amount of £Nil (H1 2021- £1.47m) in relation to a share-based payment charge in relation to the grant of 28.4 million options to directors and employees in February 2021. Non-operating income for the period amounted to £0.49m (H1 2021- Nil) and comprised primarily of fees invoiced within the group to third parties.

Enquiries:

Xtract Resources Plc	Colin Bird, Executive Chairman	+44 (0)20 3416 6471
Beaumont Cornish (Nominated Adviser and Joint Broker)	Michael Cornish Felicity Geidt Email: corpfin@b-cornish.co.uk	+44 (0)20 7628 3369
Novum Securities Limited (Joint Broker)	Colin Rowbury/Jon Belliss	+44 (0)207 399 9427

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). The person who arranged for the release of this announcement on behalf of the Company was Joel Silberstein, Director.

Further details are available from the Company's website which details the company's project portfolio as well as a copy of this announcement: www.xtractresources.com

Xtract Resources PLC
Consolidated Income Statement
For the six month period ended 30 June 2022

	Notes	Six months ended		Year ended
		30 June 2022 Unaudited £'000	30 June 2021 Unaudited £'000	31 December 2021 Audited £'000
Continuing operations				
Revenue from Gold sales		972	153	692
Other operating income		11	-	189
Other non-operating income		494	-	-
Administrative and operating expenses		(1,332)	(2,191)	(3,311)
Direct Operating		(715)	(228)	(569)
Other Operating		(82)	-	(85)
Administration		(535)	(1,963)	(2,657)
Project expenses		(214)	(94)	(432)
Operating loss		(69)	(2,132)	(2,862)
Other gains and losses		-	-	-
Finance (cost)/income		93	(73)	(194)
Profit/(loss) before tax		24	(2,205)	(3,056)
Taxation		(52)	-	(76)
Profit/(loss) for the period from continuing operations	3	(28)	(2,205)	(3,132)
Profit/(loss) for the period	6	(28)	(2,205)	(3,132)
Attributable to:				
Equity holders of the parent		(28)	(2,205)	(3,132)
Net (loss)/profit per share				
Basic (pence)	6	(0.00)	(0.00)	(0.40)
Diluted (pence)	6	(0.00)	(0.40)	(0.40)

Xtract Resources PLC
Consolidated statement of comprehensive income
For the six month period ended 30 June 2022

	Six months ended	Six months ended	Year ended
	30 June 2022	30 June 2021	31 December 2021
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Profit /(Loss) for the period	(28)	(2,205)	(3,132)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations	550	112	242
Other comprehensive income/(loss) for the period	550	112	242
Total comprehensive (loss)/income for the period	522	(2,093)	(2,890)
Attributable to:			
Equity holders of the parent	522	(2,093)	(2,890)
	522	(2,093)	(2,890)

Xtract Resources PLC
Consolidated statement of changes in equity
As at 30 June 2022

	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	Total Equity £'000
Balance at 31 December 2020	4,928	61,951	76	436	-	66	(55,530)	11,927
Loss for the period	-	-	-	-	-	-	(2,205)	(2,205)
Foreign currency translation difference	-	-	-	-	-	112	-	112
Issue of Shares	45	10,104	-	-	-	-	-	10,149
Share issue costs	-	-	-	-	-	-	-	-
Option exercised	-	19	-	(19)	-	-	-	-
Issue of share options	-	-	-	1,473	-	-	-	1,473
Issue of warrants	-	(456)	456	-	-	-	-	-
Exercise of warrants	-	10	(10)	-	-	-	-	-
Balance at 30 June 2021	4,973	71,628	522	1,890	-	178	(57,735)	21,456
Loss for the period	-	-	-	-	-	-	(3,132)	(3,132)
Foreign currency translation differences	-	-	-	-	-	242	-	242
Issue of Shares	45	10,769	-	-	-	-	-	10,814
Share issue costs	-	(664)	-	-	-	-	-	(664)
Issue of share options	-	-	-	1,473	-	-	-	1,473
Expiry of share options	-	-	-	(16)	-	-	16	-
Exercise of share options	-	19	-	(19)	-	-	-	-
Issue of Warrants	-	(456)	456	-	-	-	-	-
Exercise of warrants	-	65	(65)	-	-	-	-	-
Balance at 31 December 2021	4,973	71,684	467	1,874	-	308	(58,646)	20,660
Loss for the period	-	-	-	-	-	-	(28)	(28)
Foreign currency translation difference	-	-	-	-	-	550	-	550
Issue of Shares	1	67	-	-	-	-	-	68
Exercise of warrants	-	35	(35)	-	-	-	-	-
Balance at 30 June 2022	4,974	71,786	432	1,874	-	858	(58,674)	21,250

Xtract Resources PLC
Consolidated Statement of Financial Position
As at 30 June 2022

	Notes	30 June 2022 Unaudited £'000	30 June 2021 Unaudited £'000	31 December 2021 Audited £'000
Non-current assets				
Intangible Assets	7	19,760	13,622	16,752
Property, plant & equipment	8	45	27	25
Other financial assets		-	-	-
		19,805	13,649	16,777
Current assets				
Trade and other receivables		1,636	185	664
Inventories		14	9	177
Cash and cash equivalents		1,239	8,084	5,389
		2,889	8,278	6,230
Total assets		22,694	21,927	23,007
Current liabilities				
Trade and other payables		1,350	453	2,226
Current tax payable		94	18	121
Other payables		-	-	-
		1,444	471	2,347
Non-current liabilities				
Other payables		-	-	-
		-	-	-
Total liabilities		1,444	471	2,347
Net current assets/(liabilities)		1,445	7,807	3,883
Net assets		21,250	21,456	20,660
Equity				
Share capital	9	4,974	4,973	4,973
Share premium account		71,786	71,628	71,684
Warrant reserve		432	522	467
Share-based payments reserve		1,874	1,890	1,874
Fair Value reserve		-	-	-
Foreign currency translation reserve		858	178	308
Accumulated losses		(58,674)	(57,735)	(58,646)
Equity attributable to equity holders of the parent		21,250	21,456	20,660
Total equity		21,250	21,456	20,660

Xtract Resources PLC
Consolidated Statement of Cash Flows
For the six month period ended 30 June 2022

	6 months period ended 30 June 2022 Unaudited £'000	6 months period ended 30 June 2021 Unaudited £'000	Year ended 31 December 2021 Audited £'000
Net cash used in operating activities	11 (1,732)	(1,455)	(767)
Investing activities			
Acquisition of subsidiary undertaking	-	-	-
Acquisition of intangible fixed assets	(2,555)	(1,524)	(5,009)
Acquisition of tangible fixed assets	(26)	(5)	(13)
Net cash from/(used in) investing activities	(2,581)	(1,529)	(5,022)
Financing activities			
Proceeds on issue of shares	68	10,149	10,149
Net cash from financing activities	68	10,149	10,149
Net increase/(decrease) in cash and cash equivalents	(4,245)	7,165	4,360
Cash and cash equivalents at beginning of period	5,389	919	919
Effect of foreign exchange rate changes	95	-	110
Cash and cash equivalents at end of period	1,239	8,084	5,389

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 1st Floor, 7/8 Kendrick Mews, London, SW7 3HG. 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 UK-adopted international accounting standards and in conformity with the Companies Act 2006.

The consolidated interim financial information for the period ended 30 June 2022 presented herein has been neither audited nor reviewed. The information for the period ended 31 December 2021 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. 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 information of the Group for the six months ended 30 June 2022 were authorised for issue by the Directors on 29 September 2022.

Going concern

As at 30 June 2022 the Group held cash balances of £1,239K. A small operating loss has been reported for the Group, however, as at the date of the release of the consolidated financial information, the Group’s assets have been and continue to generate revenues. The Group has continued with its exploration activities in Australia and recently completed the Phase Two drilling programme at the Racecourse Prospect.

The Directors have assessed the working capital requirements for the forthcoming twelve months and have undertaken the following assessment.

Management have reviewed the cash flow projections for the forthcoming twelve months, based on the current operations in Mozambique, Australia as well as the corporate overhead. The alluvial operations continue to generate modest revenues and as with alluvial operations the presence of gold in alluvial deposits is unpredictable and therefore operational results will vary month-to-month. The Group expects production at Fair Bride to increase during the coming months with the Group due to receive 23% share of net profit after tax.

Based on the assumption that Fair Bride operates within its targeted parameters and no new business is consummated, the Directors do not anticipate the need for funds to be raised in the twelve-month period from the date of authorising the consolidated information.

As is common with junior mining companies, the Company in the past has raised finance from shareholders for its activities, in discrete tranches to finance its activities for limited periods only and further funding would be required from time to time to finance those activities.

The Directors therefore continue to adopt the going concern basis of accounting in preparing the consolidated financial information and therefore the consolidated financial information does not include any adjustments relating to the recoverability and classification of assets and liabilities that may be necessary if the going concern basis of preparation of the consolidated financial information is not appropriate.

On this basis the Board believes that it is appropriate to prepare the consolidated financial information on the going concern basis.

Changes in accounting policy

The accounting policies applied are consistent with those adopted and disclosed in the Group Consolidated financial statements for the year ended 31 December 2021, except for the changes arising from the adoption of new accounting pronouncements detailed below.

There are no amendments or interpretations to accounting standards that would have a material impact on the financial statements.

3. Business segments

Segmental information

The divisions on which the Group reports its primary segment information are reported to its Executive Chairman, who is the Chief Operating Decision maker of the Group. The Executive Chairman and the Chief Operating Officer are responsible for allocating resources to the segments and assessing their performance.

Principal activities are as follows:

- Operating alluvial gold & hard rock mining segment – Mozambique
- Mine Development – Mozambique
- Exploration
- Investment and other

Segment results

6 months ended 30 June 2022

	Mine Development (Continuing)	Exploration (Continuing)	Investment And Other (Continuing)	Alluvial Gold Mining Production (Continuing)	Total
	£'000	£'000	£'000	£'000	£'000
Segment revenue					
Sale of gold bars	-	-	-	972	972
Less: Cost of sales	-	-	-	-	-
Segment Gross profit	-	-	-	972	972
Other operating income	-	-	-	11	11
Non-operating income	-	-	494	-	494
Administrative and operating expenses	-	(145)	(825)	(362)	(1,332)
Project costs	-	-	(214)	-	(214)
Segment result	-	(145)	(545)	621	(69)
Other gain and losses	-	-	-	-	-
Finance costs	-	-	89	4	93
(Loss)/profit before tax	-	(145)	(456)	625	24
Tax	-	-	-	(52)	(52)
(Loss)/profit for the period	-	(145)	(456)	573	(28)

6 months ended 30 June 2021

	Mine Development (Continuing)	Exploration (Continuing)	Investment and Other (Continuing)	Alluvial Gold Mining Production (Continuing)	Total
	£'000	£'000	£'000	£'000	£'000
Segment revenue					
Sale of gold bars	-	-	-	153	153
Less: Cost of sales	-	-	-	-	-
Segment Gross profit	-	-	-	153	153
Administrative and operating expenses	-	(39)	(1,877)	(275)	(2,191)
Project Costs	-	-	(94)	-	(94)
Segment result	-	(39)	(1,971)	(122)	(2,132)
Other gain and losses	-	-	-	-	-
Finance costs	-	-	(69)	(4)	(73)
(Loss)/profit before tax	-	-	(2,040)	(126)	(2,205)
Tax	-	-	-	-	-
(Loss)/Profit for the period	-	(39)	(2,040)	(126)	(2,205)

	Mine Development (Continuing) £'000	Exploration (Continuing) £'000	Investment and Other (Continuing) £'000	Alluvial Gold Mining Production (Continuing) £'000	Total £'000
Segment revenue					
Sale of gold bars	-	-	-	692	692
Less: Cost of sales	-	-	-	-	-
Segment Gross profit	-	-	-	692	692
Other operating income	-	-	-	189	189
Administrative and operating expenses	(71)	-	(2,671)	(569)	(3,311)
Project Costs	(13)	-	(419)	-	(432)
Segment result	(84)	-	(3,090)	312	(2,862)
Other gains and losses	-	-	-	-	-
Finance income / (costs)	(1)	-	(106)	(87)	(194)
(Loss)/Profit before tax	(85)	-	(3,196)	225	(3,056)
Tax	-	-	-	(76)	(76)
(Loss)/Profit for the period	(85)	-	(3,196)	149	(3,132)

Year ended 31 December 2021

Balance Sheet	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Total Assets			
Gold production	880	125	925
Exploration	9,728	3,467	6,552
Mining Development	10,437	10,276	10,298
Investment & other	1,649	8,058	5,232
Total segment assets	22,694	21,927	23,007
Liabilities			
Gold production	(371)	(243)	(659)
Exploration	(459)	-	(349)
Mining Development	-	(3)	-
Investment & other	(614)	(225)	(1,339)
Total segment liabilities	(1,444)	(471)	(2,347)

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.

4. Tax

At 30 June 2022, the Group has no deferred tax assets or liabilities and an income tax of £52k charge for the period.

5. Revenue

An analysis of the Group's revenue is as follows:

	Six months ended		Year ended
	30 June 2022	30 June 2021	31 December 2021
	£'000	£'000	£'000
Revenue from gold sales	972	153	692
	<u>972</u>	<u>153</u>	<u>692</u>

6. Loss per share

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

Losses	Six months ended		Year ended
	30 June 2022	30 June 2021	31 December 2021
	£'000	£'000	£'000
Losses for the purposes of basic earnings per share being: Net loss from continuing operation attributable to equity holders of the parent	(28)	(2,205)	(3,132)
	<u>(28)</u>	<u>(2,205)</u>	<u>(3,132)</u>
Number of shares			
Weighted average number of ordinary and diluted shares for the purposes of basic earnings per share	847,000,046	581,422,831	805,203,295
(Loss)/profit per ordinary share basic and diluted (pence)	(0.00)	(0.40)	(0.40)

In accordance with IAS 33, the share options and warrants do not have a dilutive impact on earnings per share, which are set out in the consolidated income statement. Details of the shares issued during the period as shown in Note 9 of the Financial Statements.

7. Intangible assets

	Development expenditure & Mineral exploration £'000	Total £'000
As at 1 January 2022	16,752	16,752
Additions – at fair value (Manica)	—	—
Additions – at cost (Manica)	34	34
Foreign exchange	139	139
Additions – at fair value (Bushranger)	-	-
Additions – at cost (Bushranger)	2,337	2,337
Foreign exchange	314	314
Additions – at cost (Eureka)	184	184
As at 30 June 2022	19,760	19,760
Amortisation		
As at 1 January 2022	—	—
Charge for the year	—	—
As at 30 June 2022	-	—
Net Book value at 1 January 2022	16,752	16,752
Net book value at 30 June 2022	19,760	19,760

Mozambique

In March 2016, The Company acquired the Manica licence 3990C (“Manica Project”) from Auroch Minerals NL. The Manica Project is situated in central Mozambique in the Beira Corridor. At the time of acquisition, the project had a JORC compliant resource of 900koz (9.5Mt@ 3.01g/t) in situ, which has increased to 1.257moz (17.3Mt @ 2.2g/t) following an independent technical report completed by Minxcon (Pty) Ltd in May 2016.

Australia

In November 2020, the Company acquired the Bushranger copper-gold project (“Bushranger Project”) which comprises of four exploration licences totaling 501km², located in eastern central New South Wales, Australia. The Bushranger Project hosts the Racecourse deposit, a JORC (2012) compliant inferred resource estimated at 71Mt @ 0.44% Cu and 0.064g/t Au using a 0.3% Cu cut-off.

Zambia

The Eureka copper-gold property with the small-scale mining licence number 22134-HQ-SML comprising approximately 345 hectares is accessed by a 100km dirt road from Kabwe, west of the Zambian Copperbelt district. The licence application was submitted in August 2017 and has been validated and the licence when issued will be for period of 10 years with no minimum spend.

As the 31 December 2021, the Company impaired £362K of costs that had been incurred to date on the Kalengwa project.

8. Property, plant and equipment

Cost or fair value on acquisition of subsidiary	Mining plant & equipment	Land & Buildings	Furniture & Fittings	Total
	£'000	£'000	£'000	£'000
At 1 January 2022	36	-	-	36
Additions - at cost	26	-	-	26
Foreign exchange	2	-	-	2
At 30 June 2022	64	-	-	64
Depreciation				
At 1 January 2022	(11)	-	-	(11)
Charge for the period	(8)	-	-	(8)
At 30 June 2022	(19)	-	-	(19)
Net book value				
At 30 June 2022	45	-	-	45
At 1 January 2022	25	-	-	25

9. Share capital

	As at 30 June 2022 Number	As at 30 June 2021 Number	As at 31 December 2021 Number
Deferred shares of 0.09p each			
As at 1 January	5,338,221,169	5,338,221,169	5,338,221,169
Issued during the period	-	-	-
	<u>5,338,221,169</u>	<u>5,338,221,169</u>	<u>5,338,221,169</u>
Ordinary shares of 0.02p each			
As at 1 January	845,143,693	620,465,144	620,465,144
Issued during the period	5,249,998	224,678,549	224,678,549
Outstanding as at 30 June	<u>850,393,691</u>	<u>845,143,693</u>	<u>845,143,693</u>

The following Ordinary Shares of 0.02p were issued during the period:

- Issued - 28 April 2022-4,416,665 at 1.20p per share
- Issued - 28 April 2022- 833,333 at 1.85p per share

The following warrants were exercised during the year:

- Issued 23 August 2019- 3,333,332 exercisable at 1.20p per share
- Issued 30 September 2020- 1,083,834 exercisable at 1.20p per share
- Issued 30 September 2020- 833,332 exercisable at 1.85p per share

10. Cash flows from operating activities

	Six month period ended 30 June 2022 £'000	Six month period ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Profit/(loss) for the period	24	(2,205)	(3,056)
Adjustments for:			
Continuing Operations			
Depreciation of property, plant and equipment	8	-	11
Amortisation of intangible assets	-	-	-
Net Finance costs	(71)	72	214
Impairment of intangible assets	-	-	362
Interest income	(23)	-	(20)
Other (gains) /losses	-	-	-
Share-based payments expense	-	1,473	1,473
Operating cash flows before movements in working capital	(62)	(660)	(1,016)
Decrease/(Increase) in inventories	162	(1)	(169)
(Increase)/decrease in receivables	(972)	(34)	(516)
(Decrease)/increase in payables	(876)	(602)	1,176
Cash used in operations	(1,748)	(1,297)	(525)
Net finance costs	94	(72)	(194)
Tax (paid)	(78)	(86)	(48)
Foreign currency exchange differences	-	-	-
Net cash used in operating activities	(1,732)	(1,455)	(767)

11. Related party transactions

There have been no changes to related party arrangements or transactions as reported in the 2021 Annual Report.

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.

ENDS