

RNS Number : 1797J  
Starvest PLC  
26 June 2017

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**Starvest Plc  
("Starvest" or "the Company")**

**Half-year report - six months ended 31 March 2017**

**Chairman's statement**

A modest recovery in the mining and resources sector continued during the six month period to 31<sup>st</sup> March 2017. This improvement was reflected in our net asset value increasing from £1.16m as at 31 December 2016 to £1.24m as at 31 March 2017 and has continued to improve since period end; at the close of business on 16 June the value had increased to £1.67m or 3.34 pence per share on a discounted basis.

The Company continues its historic policy of investing in early stage mining resource projects, but we are also pursuing new investment areas.

Several of our investee companies have achieved significant milestones in the recent past. Ariana Resources PLC (AIM:AAU) moved from being an explorer to producer early in the year targeting considerable annual gold-silver production along with a major resource upgrade. Salt Lake Potash (AIM:SO4) confirmed positive production potential from its potash operation and expansion of landholdings. Greatland Gold PLC (AIM:GGP) announced the discovery of a new gold province followed by execution of a deal with global gold giant Newmont plus exciting news from the Paterson region in Western Australia.

Other investee companies remain active such as Oracle Coalfields (AIM:ORCP) seeing its coal project elevated to a priority list by the local government and BMR Group (AIM:BMR) proceeding with plant construction at its lead-zinc operation. Kefi Minerals (AIM:KEFI) secured significant funding in its move toward gold production and, since the quarter end, oil and gas producer Kuwait Energy announced its intention to list on the London Stock Exchange which is likely to attract a significant valuation.

Whilst the recovery in the commodities market remains modest Starvest has benefitted from the increased activity and is well positioned as the sector accelerates and enters its next cycle. We continue to expect an increase in demand for energy and metals over the medium and long term, and short term improvements are already notable.

During May 2017 Starvest completed a placing of stock for cash which was pleasingly oversubscribed and secured at the prevailing market price. Gross proceeds were £170,000 with the bulk to be used for expansion of the current investment portfolio where we are likely to focus on copper, gold, lithium and

cobalt opportunities. Additional cash was also generated from share sales post period end without impacting our portfolio valuation. We look forward to providing further updates to investors and the market during the coming weeks.

Callum N. Baxter

Chairman & Chief Executive

26 June 2017

## Income Statement

	6 months to 31 March 2017	6 months to 31 March 2016	Year ended 30 September 2016
	Unaudited £	Unaudited £	Audited £
<b>Revenue</b>	<b>58,364</b>	53,390	117,920
<b>Cost of sales</b>	<b>(50,013)</b>	(39,868)	(72,670)
<b>Gross profit</b>	<b>8,351</b>	13,522	45,250
Administrative expenses	<b>(116,444)</b>	(109,246)	(231,499)
Amounts written off against trade investments	<b>(198,117)</b>	(315,513)	(382,594)
Amounts written back against trade investments	<b>160,649</b>	304,542	643,561
<b>Operating (loss) / profit</b>	<b>(145,561)</b>	(106,695)	74,718
Interest receivable	<b>2,737</b>	2,941	6,395
<b>(Loss) / profit on ordinary activities before tax</b>	<b>(142,824)</b>	(103,754)	81,113
Tax on profit on ordinary activities	-	-	-
<b>(Loss) / profit attributable to Equity holders of the Company</b>	<b>(142,824)</b>	(103,754)	81,113
<b>(Loss) / earnings per share - see note 3</b>	<b>(0.34)</b>	(0.27)	0.21 pence
Basic and diluted	<b>pence</b>	pence	

## Statement of Financial Position

	6 months ended 31 March 2017	6 months ended 31 March 2016	Year ended 30 September 2016
	Unaudited £	Unaudited £	Audited £
<b>Current assets</b>			
Trade and other receivables	<b>57,540</b>	62,544	71,667
Trade investments	<b>1,285,429</b>	1,035,703	1,372,616
Cash and cash equivalents	<b>8,084</b>	160,759	9,856
<b>Total current assets</b>	<b>1,351,053</b>	1,259,006	1,454,139

**Current liabilities**

Trade and other payables	<b>(91,465)</b>	(154,961)	(132,227)
<b>Total current liabilities</b>	<b>(91,465)</b>	(154,961)	(132,227)

**Net current assets**

<b>1,259,588</b>	1,104,045	1,321,912
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**Capital and reserves**

Called up share capital	<b>436,435</b>	337,301	396,185
Share premium account	<b>1,554,923</b>	1,540,556	1,514,673
Profit and loss account	<b>(736,770)</b>	(778,812)	(593,946)
Equity reserve	<b>5,000</b>	5,000	5,000
<b>Total equity shareholders' funds</b>	<b>1,259,588</b>	1,104,045	1,321,912

**Statement of Cash Flows**

	<b>6 months ended 31 March 2017 Unaudited £</b>	<b>6 months ended 31 March 2016 Unaudited £</b>	<b>Year ended 30 September 2016 Audited £</b>
<b>Cash flows from operating activities</b>			
Operating (loss)/profit	<b>(145,561)</b>	(106,695)	74,718
Net interest receivable	<b>2,737</b>	2,941	6,395
Share based payment charge	<b>80,500</b>	16,500	49,500
Increase/(decrease) in debtors	<b>14,127</b>	(7,505)	(16,627)
(Decrease)/increase in creditors	<b>(40,762)</b>	29,807	7,072
<b>Net cash used in operating activities</b>	<b>(88,959)</b>	(64,952)	121,058
<b>Cash flows from investing activities</b>			
Purchase of current asset investments	-	(53,125)	(140,390)
Sale of current asset investments	<b>58,070</b>	53,069	117,300
Loan converted into shares	-	-	(10,000)
Profit on sale of current asset investments	<b>(8,351)</b>	(13,522)	(45,463)
Increase in investment provisions	<b>198,117</b>	315,513	382,594
Decrease in investment provisions	<b>(160,649)</b>	(304,542)	(643,561)
<b>Net cash used in investing</b>	<b>87,187</b>	(2,607)	(339,520)

**activities**

<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,772)</b>	(67,559)	(218,462)
Cash and cash equivalents at beginning of period	<b>9,856</b>	228,318	228,318
<b>Cash and cash equivalents and end of period</b>	<b>8,084</b>	160,759	9,856

**Statement of Changes in Equity**

	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total Equity attributable to shareholders £
<b>At 30 September 2015 (restated)</b>	<u>394,173</u>	<u>2,118,396</u>	5,000	<u>(1,326,270)</u>	<u>1,191,299</u>
(Loss)/profit for the period	-	-	-	(103,754)	(103,754)
Total recognised income and expenses for the period	-	-	-	(103,754)	(103,754)
Shares issued	8,250	8,250	-	-	16,500
Cancellation of treasury shares	(65,122)	(586,090)	-	651,212	-
Total contribution by and distributions to owners	(56,872)	(577,840)	-	651,212	16,500
<b>At 31 March 2016</b>	<u>337,301</u>	<u>1,540,556</u>	5,000	<u>(778,812)</u>	<u>1,104,045</u>
<b>At 30 September 2016</b>	396,185	1,514,673	5,000	(593,946)	1,321,912
(Loss)/profit for the period	-	-	-	(142,824)	(142,824)
Total recognised income and expenses for the period	-	-	-	(142,824)	(142,824)
Shares issued	40,250	40,250	-	-	80,500
Total contributions by and distributions to owners	40,250	40,250	-	-	80,500
<b>At 31 March 2017</b>	<u>436,435</u>	<u>1,554,923</u>	5,000	<u>(736,770)</u>	<u>1,259,588</u>

During the period 1,525,000 shares were issued to directors in lieu of fees for the period 30 September 2016 and 31 December 2016 respectively.

On 5 January 2017 2,500,000 shares were issued to Mr Bruce Rowan in part settlement of the loan he provided to the Company.

## Interim report notes

### 1. Interim report

The information relating to the six month periods to 31 March 2017 and 31 March 2016 is unaudited.

The information relating to the year ended 30 September 2016 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report.

### 2. Basis of preparation

This report has been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. Although the information included herein does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006, the accounting policies that have been applied are consistent with those adopted for the statutory accounts for the year ended 30 September 2016.

The financial statements for the year ended 30 September 2016 were prepared in accordance with FRS 102 which included comparatives for the year ended 30 September 2015 being re-stated in accordance with FRS 102 and a reconciliation between the old and new GAAP was included in the notes. Refer to the financial statements for the year ended 30 September 2016 for an explanation of the transition.

The Company will report again for the full year to 30 September 2017.

The Company's investments at 31 March 2017 are valued at the lower of cost or the valuation adopted at 30 September 2016 or the current market value based on bid prices at the close of business. The Chairman's statement includes a valuation based on bid prices at 31 March 2017.

### 3. Loss per share

	<b>6 months ended 31 March 2017</b>	<b>6 months ended 31 March 2016</b>	<b>Year ended 30 September 2016</b>
	<b>Unaudited £</b>	<b>Unaudited £</b>	<b>Audited £</b>
These have been calculated on a (loss)/profit of:	<b>(142,824)</b>	(103,754)	81,113
The weighted average number of shares used was:	<b>41,816,935</b>	38,341,234	38,876,323
Basic (loss)/earnings per share:	<b>(0.34) pence</b>	(0.27) pence	0.21 pence

### Investment portfolio

Starvest now holds trade investments in the companies listed below; of these the following companies comprised 89% of the portfolio value as at 31 March 2017:

- Alba Mineral Resources plc *Exploration for oil in England, lead-zinc in Ireland, uranium in Mauritania and graphite in Greenland*  
[www.albamineralresources.com](http://www.albamineralresources.com)
- Ariana Resources plc *Gold-silver production and exploration in Turkey*  
[www.arianaresources.com](http://www.arianaresources.com)

- BMR Group plc *Lead and zinc in Zambia*  
[www.bmrplc.com](http://www.bmrplc.com)
- Greatland Gold plc *Gold exploration in Australia*  
[www.greatlandgold.com](http://www.greatlandgold.com)
- Kefi Minerals plc *Gold and copper exploration in Ethiopia and Saudi Arabia*  
[www.kefi-minerals.com](http://www.kefi-minerals.com)
- Kuwait Energy plc *Oil exploration and operations in Middle East and North Africa*  
[www.kec.com](http://www.kec.com)
- Oracle Coalfields plc *Coal mining in Pakistan*  
[www.oraclecoalfields.com](http://www.oraclecoalfields.com)

Other direct and indirect mineral exploration companies:

- Block Energy plc *Oil and gas exploration in Bulgaria*  
(formerly **Goldcrest Resources plc**)  
[www.goldcrestresourcesplc.com](http://www.goldcrestresourcesplc.com)
- Marechale Capital plc *Investment banking and corporate finance*  
[www.marechalecapital.com](http://www.marechalecapital.com)
- Minera IRL Limited *Gold exploration in South America*  
[www.minera-irl.com](http://www.minera-irl.com)
- Regency Mines plc *Copper & nickel exploration in Australia and Papua New Guinea and investments in Red Rock Resources plc, and Direct Nickel Limited*  
[www.regency-mines.com](http://www.regency-mines.com)
- Salt Lake Potash Limited *Potash in Australia*  
[www.saltlaketpotash.com.au](http://www.saltlaketpotash.com.au)
- Sunrise Resources plc *Exploration for industrial minerals in United States, Finland, Australia and Ireland*  
[www.sunriseresourcesplc.com](http://www.sunriseresourcesplc.com)

Other investee companies are listed in the Company's 2016 annual report available on request as below or downloaded from [www.starvest.co.uk](http://www.starvest.co.uk).

Copies of this interim report are available free of charge by application in writing to the Company Secretary at the Company's registered office, 55 Gower Street, London WC1E 6HQ, by email to [info@starvest.co.uk](mailto:info@starvest.co.uk) or from the Company's website at [www.starvest.co.uk](http://www.starvest.co.uk).

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