

RNS Number : 5804Q  
Starvest PLC  
07 June 2018

**7 June 2018**

## **Starvest Plc**

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

#### **Half-year report - six months ended 31 March 2018**

##### **Chairman's statement**

A modest recovery in the mining and resources sector prevailed during the latter half of 2017 but market volatility and a decline in commodity prices impacted share prices through Q1 2018. As a result, we saw an across the board decline in our portfolio share valuations as at the end of the half yearly reporting period of 31 March 2018. Our net asset value decreased from £1.88m as at 30 September 2017 to £1.38m as at 31 March 2018; this decline being responsible for the majority of the loss for the period of £515,618. But market conditions have been better throughout Q2 2018 and we note improved valuations since reporting 31 March 2018. As at 31 May 2018 our Trading Portfolio Value had increased to £1.33m, up from £1.18m at 31 March 2018 and net asset value increased to £1.49m or 2.81 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 looking at new investment areas such as investing directly in projects. Currently we are reviewing several projects with a precious metal focus (gold, silver) and several base metal projects (copper, nickel). These commodities continue to be sought after due to global economic expansion. Niche commodities are also on our radar such as lithium and cobalt which could see significant price increases through changes in everyday technology.

Several of our investee companies remain extremely active and have provided very positive news-flow over the reporting period. Cora Gold plc (AIM:CORA) announced very encouraging gold exploration results from its projects in West Africa. Exciting high-grade results and large gold mineralised structures have been identified over several kilometres in preliminary drilling at the Sanankoro and Tekeledougou areas. Ariana Resources PLC (AIM:AAU) continued to improve efficiency at its gold-silver operation at Kiziltepe having produced over 15,000 oz gold with revenue of more than US\$20m since April 2017. Cash costs are less than US\$600 per ounce against an average gold price of US\$1,377/oz. Significant upside is also apparent from additional resources at Tavsan and exploration work at Salinbas.

Salt Lake Potash (AIM:SO4) continued to develop its potash assets in Western Australia and has identified world class scale potential at its Salt Lakes project. The company has also entered into a MOU for an offtake agreement with a subsidiary of the large Japanese based Mitsubishi Corporation. Greatland Gold PLC (AIM:GGP) has reported positive work from geochemical and geophysical work at its Ernest Giles and Paterson projects. A new target, Black Hills, in the Paterson region shows high grade gold from surface rock chip samples and multiple gold intercepts in broad spaced drilling. Greatland has announced that drilling is planned for several targets in Q2 and Q3 2018, and possibly Q4 2018 also.

Other investee companies push ahead such as Oracle Power (AIM:ORCP) seeing its proposed coal mine and power plant project elevated to a priority list by the local government and an agreement signed with Asian parties which is a step toward securing the required capital to proceed with development. And oil and gas producer Kuwait Energy has released another solid set of annual financial results from its oil and gas operations in the Middle East and North Africa.

Whilst the recovery in the commodities market remains modest the board of Starvest believes the Company is well positioned as the sector accelerates and enters its next cycle. We continue to expect robust demand for energy and metals over the medium and long term and look forward to providing further updates to investors and the market during the coming weeks.

Callum N Baxter

Chairman & Chief Executive

7 June 2018

## Income Statement

	6 months to 31 March 2018	6 months to 31 March 2017	Year ended 30 September 2017
	Unaudited £	Unaudited £	Audited £
<b>Revenue</b>	-	58,364	526,595
<b>Cost of sales</b>	-	(50,013)	(266,466)
<b>Gross profit</b>	-	8,351	260,129
Administrative expenses	<b>(128,922)</b>	(116,444)	(274,506)
Amounts written off against trade investments	<b>(415,421)</b>	(198,117)	(277,277)
Amounts written back against trade investments	<b>28,725</b>	160,649	588,398
<b>Operating (loss) / profit</b>	<b>(515,618)</b>	(145,561)	296,744
Interest receivable	<b>2,945</b>	2,737	5,585
<b>(Loss) / profit on ordinary activities before tax</b>	<b>(512,673)</b>	(142,824)	302,329
Tax on profit on ordinary activities	-	-	-
<b>(Loss) / profit attributable to Equity holders of the Company</b>	<b>(512,673)</b>	(142,824)	302,329

**(Loss) / earnings per share -**

see note 3	<b>(0.97)</b>	(0.34)	0.64 pence
Basic	<b>pence</b>	pence	0.54 pence
Diluted	<b>(0.83)</b>	(0.34)	
	<b>pence</b>	pence	

**Statement of Financial Position**

	<b>6 months ended 31 March 2018 Unaudited £</b>	<b>6 months ended 31 March 2017 Unaudited £</b>	<b>Year ended 30 September 2017 Audited £</b>
<b>Current assets</b>			
Trade and other receivables	<b>18,552</b>	57,540	29,589
Trade investments	<b>1,183,287</b>	1,285,429	1,519,983
Cash and cash equivalents	<b>270,995</b>	8,084	432,782
<b>Total current assets</b>	<b>1,472,834</b>	1,351,053	1,982,354
<b>Current liabilities</b>			
Trade and other payables	<b>(104,766)</b>	(91,465)	(101,613)
<b>Total current liabilities</b>	<b>(104,766)</b>	(91,465)	(101,613)
<b>Net current assets</b>	<b>1,368,068</b>	1,259,588	1,880,741
<b>Capital and reserves</b>			
Called up share capital	<b>528,982</b>	436,435	528,982
Share premium account	<b>1,640,876</b>	1,554,923	1,640,876
Profit and loss account	<b>(804,290)</b>	(736,770)	(291,617)
Equity reserve	<b>2,500</b>	5,000	2,500
<b>Total equity shareholders' funds</b>	<b>1,368,068</b>	1,259,588	1,880,741

**Statement of Cash Flows**

	<b>6 months ended 31 March 2018 Unaudited £</b>	<b>6 months ended 31 March 2017 Unaudited £</b>	<b>Year ended 30 September 2017 Audited £</b>
<b>Cash flows from operating activities</b>			
Operating (loss)/profit	<b>(515,618)</b>	(145,561)	296,744
Net interest receivable	<b>2,945</b>	2,737	5,585
Share based payment charge	-	80,500	46,500
Increase in debtors	<b>11,037</b>	14,127	42,078
Increase/(decrease) in creditors	<b>3,153</b>	(40,762)	16,886

<b>Net cash flows from operating activities</b>	<b>(498,483)</b>	(88,959)	407,793
<b>Cash flows from investing activities</b>			
Purchase of current asset investments	(50,000)	-	(100,000)
Sale of current asset investments	-	58,070	523,883
Profit on sale of current asset investments	-	(8,351)	(260,129)
Increase in investment provisions	415,421	198,117	277,277
Decrease in investment provisions	(28,725)	(160,649)	(588,398)
<b>Net cash flows from investing activities</b>	<b>336,696</b>	87,187	(147,367)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	-	170,000
Transaction costs of issue of shares	-	-	(7,500)
<b>Net cash flows from financing activities</b>	<b>-</b>	-	162,500
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(161,787)</b>	(1,772)	422,926
Cash and cash equivalents at beginning of period	432,782	9,856	9,856
<b>Cash and cash equivalents at end of period</b>	<b>270,995</b>	8,084	432,782

### Statement of Changes in Equity

	Share capital £	Share premium £	Equity reserve £	Profit and loss account £	Total Equity attributable to shareholders £
<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 contribution by and distributions to	40,250	40,250	-	-	80,500

owners

<b>At 31 March 2017</b>	<u>436,435</u>	<u>1,554,923</u>	<u>5,000</u>	<u>(736,770)</u>	<u>1,259,588</u>
<b>At 30 September 2017</b>	528,982	1,640,876	2,500	(291,617)	1,880,741
(Loss)/profit for the period	-	-	-	(512,673)	(512,673)
Total recognised income and expenses for the period	-	-	-	(512,673)	(512,673)
Shares issued	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
<b>At 31 March 2018</b>	<u><b>528,982</b></u>	<u><b>1,640,876</b></u>	<u><b>2,500</b></u>	<u><b>(804,290)</b></u>	<u><b>1,368,068</b></u>

## Interim report notes

### 1. Interim report

The information relating to the six month periods to 31 March 2018 and 31 March 2017 is unaudited.

The information relating to the year ended 30 September 2017 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 2017.

The Company will report again for the full year to 30 September 2018.

The Company's investments at 31 March 2018 are stated at the lower of cost and net realisable value or the valuation adopted at 30 September 2017 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 2018.

### 3. Loss per share

	<b>6 months ended 31 March 2018</b>	<b>6 months ended 31 March 2017</b>	<b>Year ended 30 September 2017</b>
	<b>Unaudited £</b>	<b>Unaudited £</b>	<b>Audited £</b>
(Loss)/profit for the year:	<u><b>(512,673)</b></u>	<u>(142,824)</u>	<u>302,329</u>
Weighted average number of Ordinary shares of £0.01 in issue	<b>52,898,163</b>	41,816,935	47,287,952
(Loss)/earnings per share - basic	<b>(0.97) pence</b>	(0.34) pence	0.64 pence

Warrants in issue	<b>8,500,000</b>	-	8,500.000
Weighted average number of Diluted Ordinary shares of £0.01 in issue	<b>61,398,163</b>	41,816,935	55,787,952
(Loss)/earnings per share - diluted	<b>(0.83) pence</b>	(0.34) pence	0.54 pence

---

### Investment portfolio

Starvest now holds trade investments in the companies listed below; of these the following companies comprised 95% of the portfolio value as at 31 March 2018:

- 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)
- Cora Gold Limited *Gold exploration in West Africa*  
[www.coragold.com](http://www.coragold.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 Power plc **(formerly Oracle Coalfields plc)** *Coal mining in Pakistan*  
[www.oraclepower.co.uk](http://www.oraclepower.co.uk)

Other direct and indirect mineral exploration companies:

- Block Energy plc **(formerly Goldcrest Resources plc)** *Oil and gas exploration in Georgia*  
[www.blockenergy.co.uk](http://www.blockenergy.co.uk)
- 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.saltlakepotash.com.au](http://www.saltlakepotash.com.au)
- Sunrise Resources plc *Exploration for industrial minerals in United States, and Australia*  
[www.sunriseresourcesplc.com](http://www.sunriseresourcesplc.com)

Other investee companies are listed in the Company's 2017 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, Salisbury House, London Wall, London EC2M 5PS, 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) .

Enquiries to:

**Starvest PLC**

Callum Baxter, Chairman/CEO 07922 255 933 [cbaxter@starvest.co.uk](mailto:cbaxter@starvest.co.uk)

**Grant Thornton UK LLP (Nomad)**

Colin Aaronson or Harrison Clarke 020 7383 5100

**SI Capital Ltd (Appointed Broker)**

Nick Emerson or Alan Gunn 01483 413 500

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

END

IR UBOARWVANRRR