

## Half-year report – six months ended 31 March 2013

### Chairman's statement

I am pleased to provide a half year update, although I am more than a little disappointed with the result.

On 2 April we announced that the steady decline in the Company's net asset value since early 2011 culminating in a fall of 18% between 30 September and 31 December 2012 had been reversed in the quarter to 31 March 2013 when the value closed at £3.05m, a modest improvement of 2% during the quarter. Not only was the scale of the improvement very disappointing, but the decline has resumed so that as at the close of business on 19 April, the value had fallen further to £2.53m a total of 16% since 31 December 2012.

Why, you may ask, should this be against the background of recent major stock market rises? It is clear to us that private investors, the traditional supporters and providers of capital to small mineral exploration companies, have taken fright and are no longer supporting the industry as they once did. As a result a number of the companies we have supported and many others are running short of funds and as a consequence have no option but to raise necessary new funds at ever lower prices. In short, there is a general lack of liquidity in spite of good progress having been made by many companies in their search for commercially viable commodities and development towards being able to generate cash from their often not inconsiderable achievements.

In summary, during the half year:

- Company net asset value has fallen to £3.05m;
- Starvest's mid share price has fallen to 5.0 pence;
- Closing net asset value of 8.23 pence per share;
- Mid share price on 31 March 2013 had a discount to net asset value of 39%;
- There were no investment sales during the period; and
- There was one acquisition only, namely a small addition to the investment in Rare Earths and Metals plc.



All valuations are based on the closing market bid prices or lower directors' valuation as described in the 2012 annual report.

What of the future? We remain of the view that the hunger of the developing world for commodities shows no sign of abating. On the contrary, although there may be periods such as at present when there is a slowing of demand for some commodities, the increasing urbanisation of populations can have only a positive impact on world demand for and the prices of these raw materials. With patience, we will see a recovery, although it may take a while yet.

The Company is adequately funded at present with an adequate spread of investments, Therefore, now or in the near future may present a useful opportunity for further investment.

It remains our intention to reward the patience of Shareholders with modest dividends when circumstances permit.

The Company will next update the market immediately following 30 June 2013, or in the event of a significant change in valuation during the quarter.

**R Bruce Rowan**

*Chairman & Chief Executive*

25 April 2013



**Profit & loss account**

	6 months to 31 March 2013	6 months to 31 March 2012	Year ended 30 September 2012
	Unaudited £	Unaudited £	Audited £
<b>Operating income</b>	-	-	-
<b>Direct costs</b>	-	-	-
<b>Gross profit</b>	-	-	-
Administrative expenses	<b>(108,727)</b>	(113,040)	(199,791)
Amounts written off trade investments - net	<b>(563,352)</b>	(237,274)	(842,703)
<b>Operating (loss) on ordinary activities</b>	<b>(672,079)</b>	(350,314)	(1,042,494)
Interest receivable	<b>1,214</b>	7,663	10,932
Interest payable	-	-	-
<b>(Loss) on ordinary activities before taxation</b>	<b>(670,864)</b>	(342,651)	(1,031,562)
Tax on profit on ordinary activities	<b>127</b>	89,000	284,044
<b>(Loss) on ordinary activities after taxation</b>	<b>(670,737)</b>	(253,631)	(747,518)
<b>(Loss) per share – see note 3</b>			
Basic	<b>(1.8) pence</b>	(0.6) pence	(2.0) pence
Fully diluted	-	-	-



**Balance sheet**

	6 months ended 31 March 2013	6 months ended 31 March 2012	Year ended 30 September 2012
	Unaudited £	Unaudited £	Audited £
<b>Current assets</b>			
Debtors	24,079	102,614	310,042
Trading investments	2,495,704	3,231,485	3,051,056
Cash at bank and in hand	347,486	1,488,275	199,036
	<hr/> 2,867,269	<hr/> 4,822,374	<hr/> 3,560,134
<b>Creditors - amounts falling due within one year</b>			
Other creditors	(24,113)	814,614)	(46,241)
<b>Net current assets</b>	<hr/> 2,843,156	<hr/> 4,007,760	<hr/> 3,513,893
<b>Share capital and reserves</b>			
Called up share capital	394,173	394,173	394,173
Share premium account	2,118,396	2,118,396	2,118,396
Profit and loss account	330,587	1,495,191	1,001,324
<b>Equity shareholders' funds</b>	<hr/> 2,843,156	<hr/> 4,007,760	<hr/> 3,513,893



**Cash flow statement**

	6 months ended 31 March 2012	6 months ended 31 March 2012	Year ended 30 September 2012
	Unaudited £	Unaudited £	Audited £
Net cash (outflow) from operating activities	<b>(137,064)</b>	(251,338)	(781,300)
Returns on investment and servicing of finance:			
Interest receivable	<b>1,214</b>	7,663	10,932
Taxation recovered/(paid)	<b>284,300</b>	-	(762,546)
Dividend paid	-	(183,586)	(183,586)
Financing:			
Issue of new shares	-	22,000	22,000
<b>Increase/(decrease) in cash in the period</b>	<b>148,450</b>	(405,261)	(1,694,500)
Opening cash balance brought forward	<b>199,036</b>	1,893,536	1,893,536
Net debt brought forward			
<b>Closing cash balance</b>	<b>347,486</b>	<b>1,488,275</b>	<b>199,036</b>



**Movement on equity shareholders' funds**

	6 months ended 31 March 2013	6 months ended 31 March 2012	Year ended 30 September 2012
	Unaudited £	Unaudited £	Audited £
Total recognised (loss) relating to the period	<b>(670,737)</b>	(253,651)	(747,518)
Shares issued	-	22,000	22,000
Dividends paid	-	(183,586)	(183,586)
(Decrease) in shareholders' funds	<b>(670,737)</b>	(415,237)	(909,104)
Opening shareholders' funds	<b>3,513,893</b>	4,422,997	4,422,997
<b>Closing shareholders' funds</b>	<b>2,843,156</b>	<b>4,007,760</b>	<b>3,513,893</b>



## Interim report notes

### 1. Interim report

The information relating to the six month periods to 31 March 2013 and 31 March 2012 is unaudited.

The information relating to the year ended 30 September 2012 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 accounting

The report has been prepared using accounting policies that are consistent with those adopted by the Company in accordance with UK GAAP for the statutory accounts for the year ended 30 September 2012, although the information does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006.

The Company will report again for the full year to 30 September 2013.

The Company's investments at 31 March 2013 are valued at the lower of cost or the valuation adopted at 30 September 2012 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 2013.

### 3. Earnings per share

	6 months ended 31 March 2013 Unaudited £	6 months ended 31 March 2012 Unaudited £	Year ended 30 September 2012 Audited £
These have been calculated on a (loss) of:	<b>(670,737)</b>	(253,651)	(747,518)
The weighted average number of shares used was:	<b>37,117,259</b>	36,818,358	36,967,532
Basic (loss) per share:	<b>(1.8) pence</b>	(0.69) pence	(2.0) pence
The weighted average number of shares and outstanding options used was:	<b>40,092,259</b>	40,492,259	37,383,926
Fully diluted (loss) per share is not calculated	-	-	-



## Investment portfolio

Starvest now holds trade investments in the companies listed below; of these the following nine companies comprised 85% of the portfolio value as at 31 March 2013:

- Ariana Resources plc *Gold exploration in Turkey*  
[www.arianaresources.com](http://www.arianaresources.com)
- Beowulf Mining plc *Iron ore, gold, copper and uranium exploration in Sweden*  
[www.beowulfmining.com](http://www.beowulfmining.com)
- Centamin plc *Gold exploration and mining in Egypt and Ethiopia*  
[www.centamin.com](http://www.centamin.com)
- Greatland Gold plc *Gold exploration in Western Australia and Tasmania*  
[www.greatlandgold.com](http://www.greatlandgold.com)
- Kefi Minerals plc *Gold and copper exploration in Turkey and Saudi Arabia*  
[www.kefi-minerals.com](http://www.kefi-minerals.com)
- Nordic Energy plc *Oil and gas exploration in the North Sea*  
[www.nordicenergyplc.com](http://www.nordicenergyplc.com)
- Oracle Coalfields plc *Coal mining in Pakistan*  
[www.oraclecoalfields.com](http://www.oraclecoalfields.com)
- Red Rock Resources plc *Iron ore and manganese exploration in Greenland; gold exploration in Kenya and Columbia with investments in other companies*  
[www.rrrplc.com](http://www.rrrplc.com)
- Regency Mines plc *Copper & nickel exploration in Australia and Papua New Guinea and investments in Red Rock Resources plc, Oracle Coalfields plc and Direct Nickel Limited*  
[www.regency-mines.com](http://www.regency-mines.com)
- Sunrise Resources plc *Mineral exploration in Finland, Australia and Ireland*  
[www.sunriseresourcesplc.com](http://www.sunriseresourcesplc.com)

Other direct and indirect mineral exploration companies:

- Alba Mineral Resources plc *Nickel, uranium & gold in Scotland, Mauritania, Sweden and Ireland*  
[www.albamineralresources.com](http://www.albamineralresources.com)
- Equity Resources plc *Investment holding company with interests in Regency Mines plc and Red Rock Resources plc*
- Gippsland Limited *Tantalum exploration in Egypt*  
[www.gippslandltd.com.au](http://www.gippslandltd.com.au)
- International Mining & Infrastructure Corporation plc *Investment holding company*  
[www.imicplc.com](http://www.imicplc.com)
- Minera IRL Limited *Gold exploration in South America*  
[www.minera-irl.com](http://www.minera-irl.com)

Other investee companies are listed in the Company's 2012 annual report available on request as below.





Shareholders and others who wish to receive electronic copies of announcements are invited to register their email address on the home page of the Company website: [www.starvest.co.uk](http://www.starvest.co.uk), due to be re-launched shortly.

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 [email@starvest.co.uk](mailto:email@starvest.co.uk) or from the Company's website at [www.starvest.co.uk](http://www.starvest.co.uk).

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