



10 May 2016

Half-year report – six months ended 31 March 2016

Chairman's statement

It has been a difficult half year in the commodities sector and this challenging period has impacted our portfolio's net asset value which has fallen from £1.14m to £1.07m during the six month period but has recovered since the period end; at the close of business on 6 May, the value had increased to £1.30m or 3.42 pence per share.

Since taking on the role of CEO and Chairman of Starvest in September last year, I have been seeking to continue the Company's historic policy of investing in early stage resource projects, but I am also pursuing new investment areas within natural resources as described below.

Starvest has made some interesting investments over the past six months positioning itself well for future growth and has recently bought a stake in BMR Group, which offers significant investment opportunities in Zambia and adds to Starvest's geographical footprint. Alongside the traditional minerals sector, the company is also diversifying into other growth markets, including the agriculture and fertilisers sectors. Starvest has recently invested in Salt Lake Potash, the fertiliser mineral exploration company. We also have a stake in Oracle Coalfields which is undertaking a very interesting project, developing Pakistan's first large scale open pit coal mine and power generation facility.

Whilst the commodities market remains challenging, Starvest is well positioned to benefit as the sector picks up and it enters its next cycle. We are expecting to see a robust increase in demand for energy and metals over the medium and long term, whilst short term improvements are already apparent with interest in mining stocks having picked up over the past few weeks. Ariana, Kefi and Greatland Gold, for example, have undergone substantial share price gains since 31 December 2015.

The market improvements we have seen over recent months have created short term trading opportunities which have allowed us to reinvest the profits into other stocks. As such, our net asset value has increased since the period end reflecting the improving trading conditions.

We will continue to update the market on Starvest's progress in due course.

Callum N. Baxter

Chairman & Chief Executive

10 May 2016

Profit & loss account

	6 months to 31 March 2016 Unaudited £	6 months to 31 March 2015 Unaudited £	Year ended 30 September 2015 Audited £
Operating income	53,390	-	123,891
Direct costs	(39,868)	-	(112,916)
Gross profit	13,522	-	10,975
Administrative expenses	(109,246)	(133,886)	(234,766)
Amounts written off trade investments - net	(10,971)	38,025	(749,671)
Operating (loss) on ordinary activities	(106,695)	(95,861)	(973,462)
Interest receivable	2,941	10,172	9,326
(Loss) on ordinary activities before taxation	(103,754)	(85,689)	(964,136)
Tax on profit on ordinary activities	-	-	-
(Loss) on ordinary activities after taxation	(103,754)	(85,689)	(964,136)
(Loss) per share – see note 3 Basic and diluted	(0.27) pence	(0.2) pence	(2.60) pence

Balance sheet

	6 months ended 31 March 2016 Unaudited £	6 months ended 31 March 2015 Unaudited £	Year ended 30 September 2015 Audited £
Current assets			
Debtors	62,544	48,940	55,040
Trading investments	1,035,703	1,913,085	1,033,096
Cash at bank and in hand	160,759	142,309	228,318
	1,259,006	2,104,334	1,316,454
Creditors - amounts falling due within one year			
Other creditors	(154,961)	(39,588)	(125,155)
Net current assets	1,104,045	2,064,746	1,191,299
Share capital and reserves			
Called up share capital	337,301	394,173	394,173
Share premium account	1,540,556	2,118,396	2,118,396
Profit and loss account	(778,812)	(447,823)	(1,326,270)
Equity reserve	5,000	-	5,000
Equity shareholders' funds	1,104,045	2,064,746	1,191,299

Cash flow statement

	6 months ended 31 March 2016 Unaudited £	6 months ended 31 March 2015 Unaudited £	Year ended 30 September 2015 Audited £
Net cash (outflow) from operating activities	(87,000)	(107,403)	(25,548)
Shares issued	16,500	-	-
Shares to be issued	-	-	5,000
Returns on investment and servicing of finance:			
Interest receivable	2,941	10,172	9,326
(Decrease) in cash in the period	(67,559)	(97,231)	(11,222)
Opening cash balance brought forward	228,318	239,540	239,540
Closing cash balance	160,759	142,309	228,318

Movement on equity shareholders' funds

	6 months ended 31 March 2016 Unaudited £	6 months ended 31 March 2015 Unaudited £	Year ended 30 September 2015 Audited £
Total recognised (loss) relating to the period	(103,754)	(85,689)	(964,136)
Opening shareholders' funds	1,191,299	2,150,435	2,150,435
Shares issued	16,500	-	-
Equity reserve	-	-	5,000
Closing shareholders' funds	1,104,045	2,064,746	1,191,299

At the date of this report 2,300,000 shares held in treasury were cancelled. The share capital and share premium of the Company have been reduced by £651,211 to reflect the adjusted total number of shares in issue.

During the period 825,000 shares were issued to directors in lieu of fees for the period to 31 December 2015.

Interim report notes

1. Interim report

The information relating to the six month periods to 31 March 2016 and 31 March 2015 is unaudited.

The information relating to the year ended 30 September 2015 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 2015, 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 2016.

The Company's investments at 31 March 2016 are valued at the lower of cost or the valuation adopted at 30 September 2015 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 2016.

3. Transition to FRS 102

The directors understand that the requirement to prepare financial statements in accordance with FRS 102 will be effective for the year ended 30 September 2016. The financial statements for this year will include 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 will be provided in the notes.

4. Loss per share

	6 months ended 31 March 2016 Unaudited £	6 months ended 31 March 2015 Unaudited £	Year ended 30 September 2015 Audited £
These have been calculated on a (loss) of:	(103,754)	(85,689)	(964,136)
The weighted average number of shares used was:	38,341,234	37,117,259	37,117,259
Basic (loss) per share:	(0.27) pence	(0.2) pence	(2.60) pence

Investment portfolio

Starvest now holds trade investments in the companies listed below; of these the following five companies comprised 86% of the portfolio value as at 31 March 2016:

- Alba Mineral Resources plc *Oil exploration in England, nickel, uranium & gold in Scotland, Mauritania, Sweden and Ireland*
www.albamineralresources.com
- Ariana Resources plc *Gold exploration in Turkey*
www.arianaresources.com
- Kefi Minerals plc *Gold and copper exploration in Turkey and Saudi Arabia*
www.kefi-minerals.com
- Kuwait Energy plc *Oil exploration and operations in Middle East and North Africa*
www.kec.com
- Oracle Coalfields plc *Coal mining in Pakistan*
www.oraclecoalfields.com

Other direct and indirect mineral exploration companies:

- BMR Group plc *Lead and zinc in Zambia*
www.bmrplc.com
- Gippsland Limited *Tantalum exploration in Egypt*
www.gippslandltd.com.au
- Goldcrest Resources plc *Gold exploration in Ghana*
www.goldcrestresourcesplc.com
- Greatland Gold plc *Gold exploration in Western Australia and Tasmania*
www.greatlandgold.com
- Marechale Capital plc *Investment banking and corporate finance*
www.marechalecapital.com
- Minera IRL Limited *Gold exploration in South America*
www.minera-irl.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
- Sunrise Resources plc *Mineral exploration in Finland, Australia and Ireland*
www.sunriseresourcesplc.com

Other investee companies are listed in the Company's 2015 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.

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 or from the Company's website at www.starvest.co.uk.

Enquiries to:

- John Watkins, telephone 01483 771992, or to john@starvest.co.uk
- Colin Aaronson, Richard Tonthat or Harrison Clarke, , Grant Thornton UK LLP, telephone 020 7383 5100
- Nick Emerson or Andy Thacker, SI Capital , telephone 01483 413500

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