

26 May 2021

Half-year report – six months ended 31 March 2021

Chairman's statement

Over the six months to 30 March 2021, we continued to experience the economic effects of COVID-19 but thankfully natural resources were very resilient compared to other investment sectors. However, we did note a change in global sentiment from early January 2021 as several commodities, including precious metals, declined in price, which had a marked impact on the near-record-high share price achieved toward the end of 2020. The natural resources sector managed to navigate the situation, and post period end we've continued to see gains.

Starvest's focus on precious metals has meant that it has weathered the period reasonably well and while the Net Asset Value reduced from £17.95m as at 30 September 2020 to £16.72m to 30 March 2021, it has increased more than 250% over the 12 months from 30 March 2020 (NAV £4.66m). This annual increase is mainly due to the performance of our holdings in investee company Greatland Gold plc and, to a lesser extent, Ariana Resources plc. Post period end we have continued to see gains in the Net Asset Value, which was £19.09m as at 30 April 2021.

Net Assets, as presented in the Statement of Financial Position in this Half Yearly report, (which differ from the Net Asset Values stated above as Net Assets include provision for deferred taxation and current liabilities) declined from £15.88m as at 30 September 2020 to £14.66m as at 30 March 2021, but increased more than 220% over the 12 months from 30 March 2020 (Net Assets £4.56m).

While many sectors have not yet recovered to pre-pandemic levels, the mining sector has made significant gains and is forecast to continue to do so with economic recovery and climate-focused projects at the forefront of government infrastructure spending plans, which we expect will benefit the base and precious metals sectors. Quantitative easing remains a tool of choice for larger global economies and this provides a firm foundation to support the price of precious metals going forward.

Continuing to advance its Paterson project, Greatland Gold (LON:GGP) has commenced a box cut to establish a decline at the Havieron gold-copper deposit which continues to yield many exciting drill results. Growth drilling by operating partners Newcrest Mining is underway which has the potential to significantly increase the resource base at the project. A Pre-Feasibility Study is expected to be delivered in H2 2021. Greatland Gold have also been conducting their own exploration with new programmes commencing recently on the Paterson Juri JV area. In addition, last season's Scallywag drilling has shown strong indications of mineralisation in the area. We look forward to further encouraging news from Greatland Gold, which is well-funded and has an experienced team in place.

Ariana Resources (LON:AAU) reported robust silver-gold production figures from its Kiziltepe Mine, exceeding guidance for 2020 and making plans to expand its processing plant. Its recent deal with Ozaltin has provided the company with good working capital as well as offering the possibility of future dividends to shareholders following a capital restructure.

Cora Gold (LON:CORA) has recently released exciting results from its latest drill programme at its flagship Sanankoro gold project. This is the start of its largest drill programme to date with

up to 35,000m of drilling planned for completion by late July 2021 and the expected announcement of an updated resource statement.

Kefi Minerals (LON:KEFI) continue with construction of the Tulu Kapi gold mine in Ethiopia and remain on target to start full production in 2022. Kefi has also made significant advances in its exploration of the Hawiah project in Saudi Arabia and has commenced a Pre-Feasibility study of the deposit.

Other investee companies continue their efforts as well. Oracle Power (LON:ORCP) has expanded its remit and taken up gold exploration in Western Australia. Sunrise Resources (LON:SRES) is advancing its pozzolan-perlite project in Nevada USA towards mine permitting, while Alba (LON:ALBA) is focusing on development of Welsh gold deposits.

Overall, throughout the past year to 30 March 2021, our strategy to focus on precious metal investments has been successful and resulted in significant increase in value for our overall portfolio. We continue to focus on seeking out value-adding opportunities in the precious metals sector and believe a robust gold price going forward will support current and future strategies.

Callum N Baxter
Chairman & Chief Executive
26 May 2021

Statement of Comprehensive Income

	6 months to 31 March 2021	6 months to 31 March 2020	Year ended 30 September 2020
	Unaudited £	Unaudited £	Audited £
Administrative expenses	(147,689)	(150,337)	(303,259)
Gain on disposal of financial assets	19,313	22,209	59,146
Amounts written off against financial assets	(1,088,092)	(86,103)	(104,116)
Movement in fair value of financial assets through profit and loss	-	2,747,065	16,097,296
Operating profit	(1,216,468)	2,532,834	15,749,067
Interest receivable	-	20	38
Profit on ordinary activities before tax	(1,216,468)	2,532,854	15,749,105
Tax on profit on ordinary activities	-	-	(2,003,618)
(Loss)/profit attributable to equity holders of the parent	(1,216,468)	2,532,854	13,745,487
Earnings per share – see note 3			
Basic	(2.11) pence	4.53 pence	24.22 pence
Diluted	(2.11) pence	4.53 pence	24.22 pence

Statement of Financial Position

	6 months ended 31 March 2021 Unaudited £	6 months ended 31 March 2020 Unaudited £	Year ended 30 September 2020 Audited £
Fixed assets			
Financial assets through profit and loss	16,596,261	4,537,810	17,825,053
Total fixed assets	16,596,261	4,537,810	17,825,053
Current assets			
Trade and other receivables	29,893	22,738	31,047
Cash and cash equivalents	125,344	118,078	120,365
Total current assets	155,237	140,816	151,412
Current liabilities			
Trade and other payables	(84,716)	(120,672)	(93,215)
Total current liabilities	(84,716)	(120,672)	(93,215)
Non-current liabilities			
Provision for deferred tax	(2,003,618)	-	(2,003,618)
Total non-current liabilities	(2,003,618)	-	(2,003,618)
Net assets	14,663,164	4,557,954	15,879,632
Capital and reserves			
Called up share capital	575,740	559,279	575,740
Share premium account	1,779,414	1,686,829	1,779,414
Retained earnings	12,308,010	2,311,846	13,524,478
Total equity shareholders' funds	14,663,164	4,557,954	15,879,632

Statement of Cash Flows

	6 months ended 31 March 2021 Unaudited £	6 months ended 31 March 2020 Unaudited £	Year ended 30 September 2020 Audited £
Cash flows from operating activities			
Operating (loss)/profit	(1,216,468)	2,532,834	15,749,066
Net interest receivable	-	20	38
Shares issued in lieu of fees	-	-	109,046
Increase in investment provisions	1,088,092	86,103	104,116
Movement in fair value of investments	-	(2,747,065)	(16,097,296)
Profit on sale of current asset investments	(19,313)	(22,354)	(59,290)
Decrease/(increase) in debtors	1,154	91,800	83,491
(Decrease)/increase in creditors	(8,499)	54,669	27,212
Net cash used in operating activities	(155,034)	(3,993)	(83,617)
Cash flows from investing activities			
Purchase of current asset investments	-	-	-
Sale of current asset investments	160,013	61,904	143,815
Net cash generated from investing activities	160,013	61,904	143,815
Cash flows from financing activities			
Proceeds from issue of shares	-	-	-
Transaction costs of issue of shares	-	-	-
Net cash flows from financing activities	-	-	-
Net increase in cash and cash equivalents	4,979	57,911	60,198
Cash and cash equivalents at beginning of period	120,365	60,167	60,167
Cash and cash equivalents at end of period	125,344	118,078	120,365

Statement of Changes in Equity

	Share capital £	Share premium £	Retained earnings £	Total Equity attributable to shareholders £
At 30 September 2019	559,279	1,686,829	(221,009)	2,025,099
Profit for the period	-	-	2,532,854	2,532,854
Total recognised income and expenses for the period	-	-	2,532,854	2,532,854
Shares issued	-	-	-	-
Total contribution by and distributions to owners	-	-	-	-
At 31 March 2020	559,279	1,686,829	2,311,845	4,557,953
Profit for the period	-	-	11,212,633	11,212,633
Total recognised income and expenses for the period	-	-	11,212,633	11,212,633
Shares issued	16,461	92,585	-	109,046
Total contribution by and distributions to owners	16,461	92,585	-	109,046
At 30 September 2020	575,740	1,779,414	13,524,478	15,879,632
Loss for the period	-	-	(1,216,468)	(1,216,468)
Total recognised income and expenses for the period	-	-	(1,216,468)	(1,216,468)
Shares issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
At 31 March 2021	575,740	1,779,414	12,308,010	14,663,164

Interim report notes

1. Interim report

The information relating to the six month periods to 31 March 2021 and 31 March 2020 is unaudited.

The information relating to the year ended 30 September 2020 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 2020.

The Company will report again for the full year to 30 September 2021.

The Company's investments at 31 March 2021 are stated at the lower of cost and net realisable value or the valuation adopted at 30 September 2020 or the current market value based on market quoted prices at the close of business. The Chairman's statement includes a valuation based on market quoted prices at 31 March 2021.

3. Earnings per share

	6 months ended 31 March 2021 Unaudited £	6 months ended 31 March 2020 Unaudited £	Year ended 30 September 2020 Audited £
(Loss)/profit for the year:	(1,216,468)	2,532,854	13,745,487
Weighted average number of Ordinary shares of £0.01 in issue	57,573,986	55,927,832	56,742,071
Earnings per share – basic and diluted	(2.11) pence	4.53 pence	24.22 pence

Investment portfolio

Starvest now holds trade investments in the companies listed below; of these the following companies comprised 99% of the portfolio value as at 31 March 2021:

- | | |
|------------------------------|--|
| • Alba Mineral Resources plc | <i>Exploration for oil in England, lead-zinc in Ireland, uranium in Mauritania and graphite in Greenland</i>
www.albamineralresources.com |
| • Ariana Resources plc | <i>Gold-silver production and exploration in Turkey</i>
www.arianaresources.com |
| • Cora Gold Limited | <i>Gold exploration in West Africa</i>
www.coragold.com |
| • Greatland Gold plc | <i>Gold exploration and development in Australia</i>
www.greatlandgold.com |
| • Kefi Minerals plc | <i>Gold and copper exploration and development in Ethiopia and Saudi Arabia</i>
www.kefi-minerals.com |
| • Oracle Power plc | <i>Coal development in Pakistan and gold exploration in Australia</i>
www.oraclecoalfields.com |

Other investments

The remaining non-core investments are available for sale when the conditions are deemed to be right:

- | | |
|--|---|
| • Block Energy plc (<i>formerly Goldcrest Resources plc</i>) | <i>Oil and gas exploration in Bulgaria</i>
www.goldcrestresourcesplc.com |
| • Minera IRL Limited | <i>Gold exploration in South America</i>
www.minera-irl.com |
| • Sunrise Resources plc | <i>Exploration for industrial minerals in United States, Finland, Australia and Ireland</i>
www.sunriseresourcesplc.com |

Other investee companies are listed in the Company's 2020 annual report available on request or from the Company web site - 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 or from the Company's website - www.starvest.co.uk

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