20 December 2016

Vast Resources plc

("Vast" or the "Company")

Interim Results for the six months to 30 September 2016

Vast Resources plc, the AIM listed mining company with operations in Romania and Zimbabwe, announces its results for the six months ended 30 September 2016.

Overview:

Financial

- 1,310% increase in revenue to $14.1 million (2015: $1.0 million) following successful commissioning of Vast's first two mining operations
- 73% decrease in loss attributable to parent company to $0.8 million (2015: $3.0 million)
- Cash balance at period end $2.8 million (2015: $1.9 million) – raised US$3,265,823 through a number of capital raising exercises undertaken throughout the year (please refer to 'Notes to Highlights' below for further information)_

Operations and Development

- 75% increase in gold production at Pickstone-Peerless Gold Mine in Zimbabwe from previous six-month period to 9,452 Troy ounces (5,409 Troy ounces six months to 31 March 2016)
- 5.6% decrease in copper concentrate produced at Manaila Polymetallic Mine in Romania (1,423 tonnes six months to 31 March 2016)
- Maiden JORC Resource estimate published at Manaila Polymetallic Mine, which increased the previously estimated open pit resources under the Russian classification by approximately eight times
- Prospecting licence granted over the Faneata
- tailings dam adjacent to Baita Plai Polymetallic Mine in Romania in May 2016

Post period end:

- Second revenue stream commenced from Manaila Polymetallic Mine in October 2016 with commissioning of zinc production line
- Drilling programme at Faneata tailings dam completed in November 2016 to delineate a JORC resource in Q1 2017 and advance the project into production in the near term
- Construction of sulphide plant at Pickstone-Peerless commenced
- Cash balance as at 1 December 2016 $1.0 million plus $2.7 million held in Breckridge Investments (Private) Limited in Zimbabwe – US$2,623,148 raised post period end through capital raising exercises (please refer to 'Notes to Highlights' below for further information)

Management

- Appointment of Carl Kindinger as Chief Financial Officer on 26 September 2016
- Post period end appointment of Brian Moritz and resignation of Graham Briggs as Directors
- At the Annual General Meeting of the Company, held on 16 November 2016, William Battershill retired by rotation as a Director and did not offer himself for re-election. Brian Moritz was appointed Chairman of the Company on the same date

Roy Pitchford, Chief Executive of Vast, commented:

"As Vast's production profile continues to expand and improve, our investment proposition becomes more robust, which we hope will ultimately translate into enhanced value for shareholders.

"Production at Pickstone-Peerless has consistently surpassed expectations, having reliably exceeded 20,000 tonnes of ore per month, and is now running at a steady state. Construction of the new sulphide plant has now commenced, with first sulphide production expected in Q3 2017. This represents an important evolution to the story at Pickstone-Peerless and demonstrates our confidence in the long-term potential of this asset.

"Significant optimisation work at Manaila Polymetallic Mine has been concluded during and post the period end, including the commissioning of the zinc concentrate line, and the results of this work has delivered positive cash flow. Following the extension of the licence area and the publication of a maiden JORC Resource estimate, the life of the open pit has been considerably extended and we now have a robust platform to deliver a value accretive and profitable mining operation from Manaila over the long term.

"We continue to believe that Romania represents a significant opportunity for the Company; by applying the lessons we have learnt at Manaila we believe that there are multiple additional new valuable prospects available to Vast and we continue to employ an opportunistic outlook when appraising new projects."

CHAIRMAN'S STATEMENT

As your newly appointed Chairman, it gives me great pleasure to deliver my inaugural statement as part of these half-yearly results. Despite being appointed after the period end, I want to use this opportunity to explain the reasons for me joining the board of Vast and how I see your Company progressing in 2017.

As I am sure many of you know, I am not a newcomer to the AIM mining circuit and my experience in this area spans 19 years. With this in mind, I would like to say that I am almost uniquely experienced in terms of AIM mining juniors, and it is with this experience that I can say that the opportunity inherent within Vast today makes for a very exciting prospect for investors.

AIM is the breeding ground for pre-revenue greenfield explorers – the epitome of high risk, high reward stocks. I was drawn to Vast as I believe it offers investors a very different proposition – access to high value but underexplored regions with exceptional potential value and uplift (a fairly common statement proffered by AIM resources companies), but Vast's value is underwritten by current production from two operating mines. This in itself sets us apart from many of our peers, and is a point which I would like to stress as I delve into further detail about Vast's interests.

The bulk of Vast's management time is spent on our Romanian interests; a country which we believe hosts a wealth of outstanding brownfield mining opportunities.

Our primary concern during the period has been our operating 1.8Mt Manaila Polymetallic Mine in Romania, and principally, optimisation work to improve metal recoveries in tandem with drilling to convert the resources categorised under Russian standards to the more widely accepted JORC classification. This work has yielded important results, which has achieved an improved copper concentrate, the delivery of a second revenue stream though a zinc concentrate and a resource, which has been enlarged by approximately eight times – all of which have transformed this underperforming asset into a cash flow positive mining operation. Work is now underway to generate a third revenue stream through a gold/silver concentrate.

Our attentions remain centred on Romania in 2017; drilling commenced in November at the 4.6Mt Faneata Tailings Dam, the licence for which was acquired in May 2016, and contains economic quantities of minerals, including gold, silver, copper, lead and zinc. We are anticipating significant activity here over the coming months, which should result in a maiden JORC resource and the initiation of feasibility work in Q1 2017. Faneata is an exciting project for us as it offers the possibility of near term cash flow with limited additional capital expenditure if we are able to tailor the existing plant located at the nearby Baita Plai mine to process these tailings.

Turning to additional assets – we continue to progress negotiations and the legal process relating to the issue of the mining licence at Baita Plai. Whilst I know this has been the source of considerable frustration to shareholders and management alike, I would like to reiterate that we have full faith in the Romanian authorities' willingness to issue the licence, but as previously noted, the legal situation that we find ourselves in with this asset is without precedent and so, understandably, will take time to resolve. We are regularly reassured by the authorities that this process is advancing and are confident that this will ultimately result in our ability to mine the high-grade Baita Plai Mine.

Whilst this progresses, we are not resting on our laurels. In fact, we remain proactive in appraising additional assets which we believe represent potentially valuable additions to our growing portfolio of interests in Romania.

Looking now to the southern hemisphere and our second area of interest – Zimbabwe. Our focus here is on the producing Pickstone-Peerless Gold Mine and associated interests, namely the Giant Gold Mine. Pickstone-Peerless, which has a current JORC Resource of 62Mt grading 1.8 g/t containing 3.56 million ounces of gold, has exceeded operational expectations, consistently exceeding 20,000 tonnes of ore milled per month and running at steady state at this level. Mining to date has focussed on the open-pittable oxide resource and work is now underway to construct a sulphide processing plant to treat the open cast sulphides, with first sulphide production scheduled for Q3 2017 (calendar year). This is expected to significantly increase our operational rates, at least doubling the current monthly volume.

Alongside these operational expansions, the success of Pickstone-Peerless has prompted the re-appraisal of development at the nearby Giant Mine, which has a current JORC-compliant inferred resource of 500,000oz of gold. Historically, Giant was a significant producer and like Pickstone-Peerless it is believed that a world-class resource could be delineated at this mine, offering further upside to our Zimbabwean operations. Unfortunately this operational success has coincided with renewed political problems in Zimbabwe, with recurring doubts over the form and level of indigenisation, and introduction of a new quasi Zimbabwe currency in the form of bond notes replacing US dollars in bank.

Looking ahead, there is no doubt in my mind that 2017 is set to be extremely active for Vast. With two mines currently in production and identified expansion potential at both, near term production potential at the Faneata tailings dam, and additional growth opportunities identified in Romania, including the Baita Plai mine, Vast has established a valuable and strategic portfolio of mining assets. I look forward to supporting the continued growth of the Company and building shareholder value as we continue to unlock the resource potential of these prospective assets.

Brian Moritz
Chairman
December 2016

CHIEF EXECUTIVE OFFICER'S REPORT
OPERATIONS
ZIMBABWE

The Pickstone-Peerless Gold Mine (Pickstone-Peerless) has continued to perform extremely well. Gold production is close to 20,000 troy oz per annum with a cash cost per oz circa US$700. Breckridge Investments (Private) Limited, through which Pickstone-Peerless operates, is accumulating cash towards the cost of the sulphide plant that is currently under construction. It is planned to have the sulphide plant operational mid 2017 and to build up mining and processing to 40,000 tonnes per month at an average grade circa 4g/t Au. Gold production is expected to increase to 4,000 oz per month from the current 1,600 oz. Cost per ounce produced is not expected to increase significantly.

Exploration and evaluation of the Giant Gold Mine (Giant) has commenced in order to determine the size of the resources available at the mine, and if sufficient, provide the basis for a scoping study that would be a precursor to completion of scoping and bankable feasibility studies.

In conjunction with Grayfox Investments (Private) Limited, 50% shareholder in Breckridge Investments (Private) Limited, the operator of Pickstone-Peerless and Giant, additional gold mining opportunities continue to be sought and evaluated.

The operations of Pickstone-Peerless have not been affected by the current severe shortage of foreign currency in Zimbabwe and the introduction of the quasi local currency referred to as bond notes that have substituted the United States Dollars, the current currency in use in Zimbabwe. The situation is being closely monitored to ensure that whatever measures are available to reduce any potential negative impact are implemented as quickly as possible.

The funding required to develop the sulphide processing facilities at Pickstone-Peerless and to evaluate the potential of Giant is being provided in the first instance via the retention of the free cash being generated at Pickstone-Peerless. It is intended that any shortfall in funding will be sought from debt facilities within Zimbabwe. For this reason, funding for the continued administration of Vast and its listing on AIM will have to be sourced apart from Zimbabwe. Currently Romania, which does not have indigenisation requirements or exchange controls, provides the best option for Vast to become self-funding.

ROMANIA

Manaila Polymetallic Mine (Manaila)

Manaila is operated by S.C. Sinarom Mining Group S.R.L. in which Vast currently holds a 50.1% interest. Open cast mining is undertaken at Manaila and the ore is transported thirty two kilometres to the metallurgical plant at Iacobeni, and the tailings are hauled eighteen kilometres to the tailings facility. At the time the interest in the mine was acquired, it was producing a low grade copper concentrate with excessive zinc content that resulted in penalties and therefore low prices per tonne of concentrate. In addition, some of the plant at Iacobeni was not serviceable.

Achievements to date at Manaila include:

- Improvements to the quality of the copper concentrate through the increased recovery of the contained copper in the ore;
- Increasing the quantity of copper concentrate via a higher mass pull per tonne of ore processed;

- Removal of the high levels of zinc to avoid the contamination penalty;
- Commencement of production of a separate zinc concentrate to provide the Company with a second income stream;
- Refurbishment of all the processing facilities at Iacobeni, the metallurgical plant, now has two operational mills, three operational flotation circuits, and a test flotation circuit to evaluate processes and chemicals to improve the quality and quantity of the concentrates;
- Successful implementation of reprocessing of tailings from previous operations;
- Successful recovery of gold and silver from current tailings that will provide the mine with a third income stream when the new plant is installed;
- Granting of a twenty-fold increase in the potential mining area through the award of a large prospecting licence area;
- Upgrade to the resources and reserves to comply with the JORC reporting standard and increasing the open-cut mine life from eighteen months to sixty months;
- Significant reduction in the monthly transportation costs through outsourcing of ore and waste haulage to a specialist transport company.

Baita Plai Polymetallic Mine (Baita Plai)

Vast continues to engage vigorously with the state authorities to resolve the issuance of the association licence for Baita Plai that is subject to constraints arising from the fact that the previous company, S.C. Mineral Mining S.A., which Vast acquired, had been placed in liquidation and the legal process to resolve the issue via the merger of this company with Vast's subsidiary S.C. African Consolidated Resources S.R.L. is testing hitherto existing but unused legislation. There are no legal restrictions to the granting of the licence and Vast remains confident that it will be forthcoming. In the interim, Vast has:

- Significantly reduced the carrying cost of the mine by installing more efficient pumps, securing direct electricity supply, and reducing the staff count;
- Maintained access to and safety of the underground workings via the installation of new cages and ropes in shaft one, with new cages and ropes for shaft three now on site;
- Restored important underground access areas including the Nucet drainage gallery;
- Cleaned the milling and flotation circuits to enable assessment of the remedial work required once the association licence is granted.

Faneata Tailings Facility (Faneata)

- Auguring of Faneata has been completed and the samples for analysis and determination of the optimum reprocessing route have been despatched to the consultants;
- JORC resource statement due Q1 2017;
- Metallurgical test work is expected to take twelve weeks;
- First production expected H2 2017.

INVESTMENT PORTFOLIO – ZAMBIA

Nkombwa Hills Rare Earths Project

A maiden JORC Compliant Resource estimate has been completed for the Nkombwa Hill Phosphate and Rare Earth Element Project located in northern Zambia by Kilimire International Limited ("KLL"). The funding and compilation of the JORC compliant Mineral Resource Statement increased KLL's interest in Nkombwa Hill to 50.4% with Vast retaining 49.6%.

The mineral resource was solely based on the drilling undertaken by KLL which comprised 11 diamond drill-holes. The area drilled represents approximately 5% of the carbonatite pipe by volume. The historical drill holes drilled by Rhodesian Selection Trust (RST) have only been sampled selectively and have not been used in the resource calculation.

Phase 2 of the Earn-In agreement will include KLL funding an additional US$1,000,000 to de-risk the project including metallurgical work to assist in providing indications of economic viability and to contribute towards possible future feasibility studies. In this regard, representative ore samples have been delivered and a Scope of Work document is currently being agreed with appropriate laboratories.

NEW PROJECTS

In keeping with the policy of not undertaking greenfield exploration, the Company is investigating various brown-field and operational mining opportunities in Romania that have full licences in place, as well as existing gold mines in Zimbabwe that have full mining rights in place.

It is anticipated that future funding for expansion and development will be provided by way of preferential capital injection by existing shareholders, sale, or partial sale of assets, debt funding, and retention of free cash generated from operations.

Roy Pitchford
Chief Executive Officer

NOTES TO HIGHLIGHTS

Share Issues and related matters

Share issues during the period

	Issue proceeds			
Date	**US$**	**Sterling**	**Shares issued**	**Issued to**
Apr 2016	168,674	120,000	120,000,000	Warrants exercised
Apr 2016	190,242	133,333	55,555,550	Investors
Apr 2016	85,105	60,140	60,140,493	Warrants exercised

Apr 2016	86,898	60,000	60,000,000	Warrants exercised
May 2016	123,089	84,284	84,284,277	Warrants exercised
Jun 2016	103,953	76,111	76,111,100	Warrants exercised
Jul 2016	172,713	133,333	37,037,036	Investors
Jul 2016	1,111,130	855,000	300,000,000	Investors
Aug 2016	692,497	518,679	181,992,582	Investors
Aug 2016	54,783	42,000	16,153,847	To settle liabilities
Aug 2016	475,956	364,900	128,035,087	Investors
Sep 2016	783	603	120,691	Warrants exercised
TOTAL:	**3,265,823**	**2,488,383**	**1,119,430,663**	

- On 1 July 2016 the subscription agreement with Crede CG III Limited was terminated by the Company

Share issues post period end

- In October 2016 subscription agreement entered with Bracknor Fund Ltd (Bracknor) for up to $5 Million convertible loan, of which $2 million was drawn down
- The whole of the $2 million convertible loan plus a further $250,000 convertible loan issued in respect of a commitment fee were [fully] converted into 999,032,113 shares in October and November 2016
- In addition $171,698 (£133,333) has been subscribed by investors pursuant to a subscription agreement entered 4 March 2016 resulting in issue of 47,619,046 shares and further $201,450 (£160,401) raised through exercise of warrants by these investors and others resulting in issue of 159,602,292 shares

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FINANCIAL STATEMENTS

Consolidated statement of comprehensive income
for the six months ended 30 September 2016

	Note	Six months ended 30 Sep 2016 Unaudited Group $'000	Year ended 31 Mar 2016 Audited Group $'000	Six months ended 30 Sep 2015 Unaudited Group $'000
Revenue		14,117	7,200	1,041
Cost of sales		(9,121)	(5,608)	(1,129)
Gross profit (loss)		4,996	1,592	(88)
Overhead expenses		(4,568)	(9,615)	(3,660)
Depreciation of property, plant and equipment		(1,019)	(2,151)	(845)
Profit (loss) on sale of property, plant and equipment		167	(57)	(55)
Share option expense		(384)	(3,368)	-
Other administrative and overhead expenses		(3,332)	(4,039)	(2,760)
Profit (loss) from operations		**428**	**(8,023)**	**(3,748)**
Finance income		90	1	130
Finance expense		(253)	(509)	-
Profit (loss) before taxation from continuing operations		265	(8,531)	(3,618)
Deferred tax credit		-	1,658	-
Loss after taxation from continuing operations		265	(6,873)	(3,618)
Gain on business combination	3	-	41	-
Loss on discontinued operations, net of tax	4	-	(8,739)	-
Total profit (loss) for the period		**265**	**(15,571)**	**(3,618)**
Other comprehensive income				
Gain on available for sale financial assets		-	10	(21)
Exchange gain on translation of foreign operations		119	(135)	-
Total comprehensive profit (loss) for the period		**384**	**(15,696)**	**(3,639)**

Total profit (loss) attributable to:				
- the equity holders of the parent company		(947)	(16,100)	(2,964)
- non-controlling interests		1,212	529	(654)
		265	**(15,571)**	**(3,618)**
Total comprehensive profit (loss) attributable to:				
- the equity holders of the parent company		(828)	(16,225)	(2,985)
- non-controlling interests		1,212	529	(654)
		384	**(15,696)**	**(3,639)**
Loss per share				
– basic and diluted	5	(0.04)	(1.02)	(0.26)
Loss per share from continuing operations				
– basic and diluted	5	(0.04)	(0.44)	(0.26)

Consolidated statement of changes in equity
for the six months ended 30 September 2016

	Share capital $'000	Share premium $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Available for sale reserve $'000	EBT reserve $'000	Retained deficit $'000	Total $'000	Non-controlling interests $'000	Total $'000
At 31 March 2015	**15,035**	**66,105**	**479**	**(1,843)**	**(13)**	**(3,942)**	**(53,099)**	**22,722**	**10,969**	**33,691**
Total comprehensive loss for the year	-	-	-	(135)	10	-	(16,100)	**(16,225)**	529	**(15,696)**
Share option charges	-	-	3,368	-	-	-	-	**3,368**	-	**3,368**
Share options lapsed	-	-	(1,748)	-	-	-	1,748	**-**	-	**-**
Interest in mining asset	-	-	-	-	-	-	-	**-**	-	**-**
Acquired through business combination										
- Sinarom Mining Group SA	-	-	-	-	-	-	(20)	**(20)**	20	**-**
Shares issued:										
- for cash consideration	796	4,364	-	-	-	-	-	**5,160**	-	**5,160**
- to settle liabilities	274	1,183	-	-	-	-	-	**1,457**	-	**1,457**
(including Directors)										
At 31 March 2016 - audited	**16,105**	**71,652**	**2,099**	**(1,978)**	**(3)**	**(3,942)**	**(67,471)**	**16,462**	**11,518**	**27,980**
Total comprehensive loss for the period	-	-	-	119	-	-	(947)	**(828)**	1,212	**384**
Share options charge	-	-	384	-	-	-	-	**384**	-	**384**
Share options lapsed	-	-	(702)	-	-	-	702	**-**	-	**-**
Shares issued:										
- for cash consideration	1,492	1,484	-	-	-	-	-	**2,976**	-	**2,976**
- to settle liabilities	21	34	-	-	-	-	-	**55**	-	**55**
At 30 September 2016 - unaudited	**17,618**	**73,170**	**1,781**	**(1,859)**	**(3)**	**(3,942)**	**(67,716)**	**19,049**	**12,730**	**31,779**

Consolidated statements of financial position

As at 30 September 2016

	Note	30 Sep 2016 Unaudited Group $'000	31 Mar 2016 Audited Group $'000	30 Sep 2015 Unaudited Group $'000
Assets				
Non-current assets				
Property, plant and equipment	6	32,805	32,539	30,178
Intangible assets		-	-	8,739
Deferred tax asset		1,658	1,658	-
		34,463	34,197	38,917
Current assets				
Inventory	7	2,123	1,912	1,615
Receivables	8	4,438	3,896	3,603
Available for sale investments		8	8	3
Cash and cash equivalents		2,797	831	1,885
Total current assets		9,366	6,647	7,106
Total Assets		**43,829**	**40,844**	**46,023**
Equity and Liabilities				
Capital and reserves attributable to equity holders of the Parent				
Share capital		17,618	16,105	15,213
Share premium		73,170	71,652	67,986
Share option reserve		1,781	2,099	479
Foreign currency translation reserve		(1,859)	(1,978)	(1,843)
Available for sale reserve		(3)	(3)	(34)
EBT reserve		(3,942)	(3,942)	(3,944)
Retained deficit		(67,716)	(67,471)	(56,062)
		19,049	16,462	21,795
Non-controlling interests		12,730	11,518	10,314
Total equity		31,779	27,980	32,109
Non-current liabilities				
Loans and borrowings	9	1,314	911	2,968
Provisions	11	948	954	1,000
		2,262	1,865	3,968
Current liabilities				
Loans and borrowings	9	2,349	4,270	5,198
Trade and other payables	10	7,439	6,729	4,748
Total current liabilities		9,788	10,999	9,946
Total liabilities		12,050	12,864	13,914
Total Equity and Liabilities		**43,829**	**40,844**	**46,023**

Consolidated statements of cash flow
for the six months ended 30 September 2016

	Six months ended 30 Sep 2016 Unaudited Group $'000	Year ended 31 Mar 2016 Audited Group $'000	Six months ended 30 Sep 2015 Unaudited Group $'000
CASH FLOW FROM OPERATING ACTIVITES			
Profit (loss) before taxation for the year	265	(8,531)	(3,618)
Adjustments for:			
Depreciation	1,019	2,151	845
(Profit) loss on sale of property, plant and equipment	(167)	57	55
Liabilities settled in shares	55	1,457	55
Share option expense	384	3,368	-
	1,556	(1,498)	(2,663)
Changes in working capital:			
Decrease (increase) in receivables	(542)	670	821
Increase in inventories	(211)	(1,779)	(1,288)
Increase (decrease) in payables	823	867	(1,214)
	70	(242)	(1,681)
Cash generated from (used by) operations	1,626	(1,740)	(4,344)
Investing activities:			
Payments to acquire property, plant and equipment	(1,496)	(8,718)	(4,884)
Proceeds on disposal of property, plant and equipment	378	5	-
Restricted cash movement	-	637	637
Total cash used in investing activities	(1,118)	(8,076)	(4,247)
Financing Activities:			
Proceeds from the issue of ordinary shares, net of issue costs	2,976	5,160	2,004
Movement in loans and borrowings	(1,518)	2,397	5,382
Total proceeds from financing activities	1,458	7,557	7,386
Decrease in cash and cash equivalents	1,966	(2,259)	(1,205)
Cash and cash equivalents at beginning of period	831	3,090	3,090
Cash and cash equivalents at end of period	**2,797**	**831**	**1,885**

NOTES

1 Interim Report

The condensed interim financial statements, which are unaudited, are for the six months ended 30 September 2016 and consolidate the financial statements of the Company and all its subsidiaries. The statements are presented in United States Dollars.

The financial information set out in these condensed interim financial statements does not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006. The condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2016 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). The Auditor's report on those financial statements was unqualified and did not contain a statement under s.498(2) or s.498(3) of the Companies Act 2006.

While the Auditors' report for the year ended 31 March 2016 was unqualified, it did include an emphasis of matters concerning going concern and the political and economic stability in Zimbabwe, to which the Auditors drew attention by way of emphasis without qualifying their report. Full details of these comments are contained in the report of the Auditors on the annual financial statements for the year ended 31 March 2016, released elsewhere on this website on 29 September 2016.

The accounts for the period have been prepared in accordance with International Accounting Standard 34 *"Interim Financial Reporting"* ("IAS 34") and the accounting policies are consistent with those of the annual financial statements for the year ended 31 March 2016, unless otherwise stated, and those envisaged for the financial statements for the year ended 31 March 2017.

After review of the Group's operations and of the funding opportunities open to the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

There are no seasonal factors which materially affect the operations of any Company in the Group.

This interim report was approved by the Directors on 19 December 2016.

2 Segmental analysis

The Group operates in one business segment, the development and mining of mineral assets. The Group has interests in two geographical segments being Southern Africa (primarily Zimbabwe) and Eastern Europe (primarily Romania).

The Group's operations are reviewed by the Board (which is considered to be the Chief Operating Decision Maker ('CODM')) and split between exploration and development and administration and corporate costs.

Exploration and development is reported to the CODM only on the basis of those costs incurred directly on projects. All costs incurred on the projects are capitalised in accordance with IFRS 6, including depreciation charges in respect of tangible assets used on the projects.

Administration and corporate costs are further reviewed on the basis of spend across the Group.

Decisions are made about where to allocate cash resources based on the status of each project and according to the Group's strategy to develop the projects. Each project, if taken into commercial development, has the potential to be a separate operating segment. Operating segments are disclosed below on the basis of the split between exploration and development and administration and corporate.

30 September 2016				
Revenue	1,310	12,807	-	14,117
Production costs	(2,389)	(6,732)	-	(9,121)
Gross profit (loss)	(1,079)	6,075	-	4,996
Depreciation	(296)	(721)	(2)	(1,019)
Share option charge	-	-	(384)	(384)
Interest revenues	(1)	20	71	90
Profit (loss) for the year from continuing operations	(1,964)	4,176	(1,947)	265
Loss for the year from discontinued operations	-	-	-	-
Total assets	11,679	31,156	994	43,829
Total non-current assets	9,210	25,249	4	34,463
Additions to non-current assets	1,319	-	177	1,496
Total current assets	2,469	5,908	989	9,366
Total liabilities	6,204	3,038	2,808	12,050

31 March 2016				
Revenue	1,812	5,388	-	7,200
Production costs	(1,436)	(4,172)	-	(5,608)
Gross profit (loss)	376	1,216	-	1,592
Depreciation	(1,554)	(582)	(15)	(2,151)
Share option charge	-	-	(3,368)	(3,368)
Interest revenues	-	-	1	1

Profit (loss) for the year from continuing operations	(1,375)	949	(6,447)	(6,873)
Loss for the year from discontinued operations	-	(8,739)	-	(8,739)
Total assets	10,922	28,840	1,082	40,844
Total non-current assets	8,394	26,136	(333)	34,197
Additions to non-current assets	4,801	4,796	8	9,605
Total current assets	2,529	2,703	1,415	6,647
Total liabilities	6,086	4,449	2,329	12,864

30 September 2015				
Revenue	750	291	-	1,041
Production costs	(460)	(669)	-	(1,129)
Gross profit (loss)	290	(378)	-	(88)
Depreciation	584	255	6	845
Share option charge	-	-	-	-
Interest revenues	105	-	25	130
Profit (loss) for the year from continuing operations	(915)	(992)	(1,711)	(3,618)
Loss for the year from discontinued operations	-	-	-	-
Total assets	9,212	33,938	2,873	46,023
Total non-current assets	5,829	33,076	12	38,917
Additions to non-current assets	608	5,170	-	5,778
Total current assets	3,383	2,012	1,711	7,106
Total liabilities	6,256	4,188	3,470	13,914

3 Gain on business combination

Sinarom Mining Group

On 22 July 2015 the Group acquired 50.1% of the voting equity instruments of Sinarom Mining Group SA (SMG), a Romanian company whose principal activity is ownership and operation of the Manaila in Romania. The principal reason for this acquisition was to expand the Group's mining operations.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and gain arising are as follows:

	Year to 31 March 2016		
	Sinarom Mining Group SA		
	Book value	**Adjustment**	**Fair value**
	$000's	**$000's**	**$000's**

Property, plant and equipment	1,448	985	2,433
Mining asset	943	(943)	-
Inventories	68	-	68
Receivables	432	-	432
Cash and cash equivalents	1	-	1
	2,892		2,934
Less: Payables	(2,892)	-	(2,892)
Net assets	-		42
Fair value of consideration paid - Cash			-
Gain on acquisition			42

4 Discontinued Operations

The loss on discontinued operations of $8.739 million in the year to 31 March 2016 consist of the former exploration projects in Zimbabwe, which were treated as a discontinued operation as a result of the decision to move away from greenfield exploration projects. For more detail please refer to the Annual Report for the year to 31 March 2016, released elsewhere on this website on 29 September 2016.

5 Loss per share

	30 Sep 2016 (6 months) Group	**31 Mar 2016 (12 months) Group**	**30 Sep 2015 (6 months) Group**
Loss per ordinary share has been calculated using the weighted average number of ordinary shares in issue during the relevant financial year.			
The weighted average number of ordinary shares in issue for the period is:	2,702,338,385	1,579,576,275	1,383,278,837
Losses for the period ($'000)	(947)	(16,100)	(3,639)
Loss per share basic and diluted (cents)	(0.04)	(1.02)	(0.26)
Loss per share from continuing operations - basic and diluted	(0.04)	(0.44)	(0.26)
The effect of all potentially dilutive share options is anti-dilutive.			

6 Property, Plant and equipment

Group	Plant and machinery	Fixtures, fittings and equipment	Computer assets	Motor vehicles	Buildings and Improvements	Mining assets	Capital Work in progress	Total
	$’000	$’000	$’000	$’000	$’000	$’000	$’000	$’000
Cost at 31 March 2015	2,493	105	214	269	2,193	18,807	393	24,474
Additions during the year	3,908	77	62	188	376	3,372	1,622	9,605
Acquired through business combination	1,442	6	-	47	936	-	-	2,432
Reclassification	392	-	-	-	-	-	(392)	-
Disposals during the year	(257)	(23)	(102)	(30)	(17)	-	-	(429)
Foreign exchange movements	18	-	-	13	71	5	-	107
Cost at 31 March 2016 - Audited	7,996	165	174	487	3,559	22,184	1,623	36,189
Additions during the Period	96	26	9	165	46	566	589	1,496
Acquired through business combination	-	-	-	-	-	-	-	-
Reclassification	-	-	6	-	-	-	-	6
Disposals during the period	(103)	-	-	(224)	(18)	-	(3)	(347)
Foreign exchange movements	(6)	(1)	-	(6)	(32)	(6)	(12)	(62)
Cost at 30 September 2016 - Unaudited	7,983	190	189	423	3,555	22,744	2,197	37,282
Depreciation at 31 March 2015	1,295	101	200	253	4	-	-	1,853
Charge for the year	1,069	13	17	72	225	151	604	2,151
Disposals during the year	(214)	(22)	(101)	(30)	(1)	-	-	(368)
Foreign exchange movements	7	-	-	1	6	-	-	14
Depreciation at 31 March 2016 - Audited	2,157	92	116	296	234	151	604	3,650
Charge for the period	479	14	11	41	73	401	-	1,019
Disposals during the period	(59)	-	-	(124)	(3)	-	-	(187)
Reclassification	-	-	6	-	-	-	-	6
Foreign exchange movements	(2)	-	-	(4)	(5)	-	-	(11)

Depreciation at 30 September 2016 - Unaudited	**2,575**	**105**	**133**	**209**	**299**	**552**	**604**	**4,477**
Net book value at 31 March 2016	**5,839**	**73**	**58**	**191**	**3,325**	**22,033**	**1,019**	**32,539**
Net book value at 30 September 2016	**5,408**	**85**	**56**	**214**	**3,256**	**22,192**	**1,593**	**32,805**

7 Inventory

	Sep 2016 Unaudited Group $'000	Mar 2016 Audited Group $'000	Sep 2015 Unaudited Group $'000
Minerals held for sale	924	595	-
Production stockpiles	525	510	1,219
Consumable stores	674	807	396
	2,123	1,912	1,615

8 Receivables

	Sep 2016 Unaudited Group $'000	Mar 2016 Audited Group $'000	Sep 2015 Unaudited Group $'000
Trade receivables	443	14	1,033
Other receivables	1,293	998	910
Prepayments	539	659	126
VAT	2,163	2,225	1,534
	4,438	3,896	3,603

9 Loans and borrowings

	Sep 2016 Unaudited Group $'000	Mar 2016 Audited Group $'000	Sep 2015 Unaudited Group $'000
Non current			
Secured borrowings	1,741	1,978	1,855
Unsecured borrowings	119	127	113
less amounts payable in less than 12 months	(546)	(1,194)	(347)
	1,314	911	1,621
Current			
Bank overdrafts	-	1,766	1,836
Unsecured borrowings	1,803	1,310	3,162
Convertible short term debt	-	-	1,200
Current portion of long term borrowings	546	1,194	347
	2,349	4,270	6,545
Total loans and borrowings	3,663	5,181	8,166

10 Payables

	Sep 2016 Unaudited Group $'000	Mar 2016 Audited Group $'000	Sep 2015 Unaudited Group $'000

Trade payables	4,125	3,491	3,444
Other payables	2,478	2,259	821
Other taxes and social security taxes	749	681	374
Accrued expenses	87	298	109
	7,439	6,729	4,748

11 Provisions

	Sep 2016 Unaudited Group $'000	Mar 2016 Audited Group $'000	Sep 2015 Unaudited Group $'000
Provision for rehabilitation of mining properties	948	954	1,000

As more fully set out in the Statement of Accounting Policies in the report for the year to 31 March 2016, the Group provides for the cost of the rehabilitation of a mining property on the cessation of mining. Provision for this cost is recognised from the commencement of mining activities.

This provision accounts for the estimated full cost to rehabilitate the mines at Manaila and Pickstone Peerless according to good practice guidelines in the country where the mine is located, which may involve more than the stipulated minimum legal commitment.

When accounting for the provision the Group recognises a provision for the full cost to rehabilitate the mine and a matching asset accounted for within the non-current mining asset.

12 Events after the reporting date

Share issues

Date	Issue proceeds $	£	Shares issued	Issued to
7 October 2016	3,599	2,881	576,125	Exercise of warrants
7 October 2016	163,361	133,333	47,619,046	Investors *
20 October 2016	39,019	31,854	31,853,636	Exercise of warrants
18 November 2016	156,992	127,627	127,548,940	Exercise of warrants
20 October – 21 November	2,250,000	1,809,560	999,032,113	Bracknor loan conversions – see note below

* In addition, a total of 47,619,046 warrants were also issued, exercisable at any time within five years, at an exercise price to be determined by a

Black Scholes valuation of the share at date of exercise.

Repayment of bridging finance facility

On 10 October 2016 the final repayment of $325,000 together with interest of $13,000 was repaid to Darwin Capital Limited.

Issue of convertible loan notes

On 11 October 2016 the Company announced that it had entered into a subscription agreement and a convertible loan note instrument with Bracknor Fund Limited ("Bracknor") under which Bracknor had subscribed for US$2.0 million one year convertible Loan Notes in the Company (the "Subscription") (the "Agreements") which could, under its terms, be used for general corporate purposes. Bracknor had also committed to subscribe over a two-year period for a further US$3.0 million Loan Notes in tranches of US$1 million each should the Company, without obligation, request this. The Loan Notes also attracted an entitlement to warrants as described below.

The principal terms of the Loan Notes are:

- They are interest free.
- They are unsecured.
- They may be converted into ordinary shares of 0.1 pence each in the Company ("Ordinary Shares") ("Conversion") by Bracknor at any time during a 12 month conversion period immediately following the Subscription (the "Conversion Period") at a price equal to 90 per cent. of the lowest average price of the Shares in the five business days immediately preceding the conversion date. The average price for any day is determined as the value weighted average price of the Shares as shown by Bloomberg ("Average Price").
- At the end of the Conversion Period any unconverted Loan Note will automatically convert on that day.

The Company may, if it so wishes, draw down on a further US$1.0 million tranche of Loan Notes at any time after the initial US$2.0 million Loan Notes have all been converted, or after a cooling off period whichever is the sooner. Loan Notes pursuant to later tranches would, if issued, have the same terms as the initial US$2.0 million Loan Notes.

The Warrants issued to Bracknor are exercisable at 130 per cent. of the lowest Average Price of Shares in the five business days immediately preceding the issue of the Loan Notes (the "Warrant Exercise Price"). The number of warrants issued was equal to 20 per cent. of the nominal value of the Loan Notes issued (expressed in Sterling converted at the closing spot price on the day of issue) divided by the Warrant Exercise Price, but rounded down to the nearest 0.1p.

Bracknor was entitled to a fee of $250,000, in connection with the Subscription whether or not it was drawn down in full, and which was payable by the issue of Loan Notes.

A further fee equivalent to 5 per cent. of funds drawn down in accordance with the subscription was payable to Northland Capital Partners Limited in cash.

The Agreements contained a provision that Bracknor would not directly or indirectly take any action designed, or which could reasonably be expected, to result in the stabilisation or manipulation of the Company's share price to facilitate the purchase or resale of shares.

Since the reporting date, Bracknor has converted all the Loan Notes issued to it into ordinary shares of 0.1p each:

Date	No of Loan Notes	Value £	Value $	Exercise price	No of shares issued
20 October	900,000	900,000	1,119,055	0.21	428,571,428
28 October	200,000	200,000	248,679	0.19	105,263,158
9 November	100,000	100,000	124,339	0.17	58,823,529
15 November	100,000	100,000	124,339	0.15	66,666,666
18 November	100,000	100,000	124,339	0.15	66,666,666
21 November	208,500	208,500	259,248	0.15	139,000,000
21 November	250,000	201,061	250,000	0.15	134,040,666

On 9 November 2016 the Company announced that it did not intend to draw down on the $3 million balance of the $5 million facility that was currently in place and was now investigating alternative sources of finance.