Interim Results

Released : 29/09/17

RNS Number : 2120S
Bezant Resources PLC
29 September 2017

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Bezant Resources Plc

("Bezant" or the "Company")

Interim Results for the Six Months Ended 30 June 2017

Bezant (AIM: BZT), the AIM quoted gold and platinum mining company, announces its unaudited interim results for the six months ended 30 June 2017.

Highlights:

Platinum and Gold Mining Project, Choco District, Colombia:

- Recovered first gold and platinum metals, working closely with local services partner Exumax S.A.S ("**Exumax**")
- Project's economics established
  - Rapidly establishing production economics for the FKJ-083 licence area, correlating the historic mining data from previous third party operations with current exploration and processing results
  - Independent analysis of production sensitivities via scoping study commissioned from INGEX Grupo Minero SAS ("**INGEX**") which reported estimated total production costs of US$768/oz for platinum and gold recoveries
- Acquisition of environmentally friendly production capability
  - Acquired and mobilised to site a fully-equipped, purpose built modern mercury-free alluvial processing plant, being;
    - capable of processing up to 100m^3 of material per hour (approximately 150 tonnes per hour); and
    - first modern plant of its kind to be utilised on the deposit
  - Secured full plant engineering blue prints, technical plans, schematics and data to enable Bezant to replicate and manufacture similar processing plants in Colombia
  - Commissioned the processing plant in June 2017 in preparation for first production in Q3 2017

Corporate:

- £1.2m expenditure on the Choco platinum-gold project's development programme including the above mentioned plant acquisition and exercising of certain licence options
- £1.0m raised before expenses in March 2017, through a placement of 100,000,000 new ordinary shares with certain new and existing investors, at a price of 1.0 pence per share

Post Period End

- A further £585,000 raised (before expenses) in early July 2017 through a placement and subscription for, in aggregate, 68,823,529 new ordinary shares by certain new and existing investors, at a price of 0.85 pence per share
- Approximately £160,000 of certain accrued unpaid director, senior management and consultancy fees and salaries satisfied via the issue of, in aggregate, 12,359,642 new ordinary shares at a price of 1.2976 pence per share in early August 2017 in order to conserve cash reserves within the Company and maximise the funds available for the group's operations
- In July 2017, Registro Unico de Comercializadores de Minerales ("**RUCOM**") was received from the Colombian National Mining Agency (ANM - Agencia Nacional de Mineria) enabling the sale of platinum and gold to regulated metals trading houses both in Colombia and internationally
- Peterhouse Corporate Finance Limited appointed as a Broker to the Company
- Production commenced at the Choco Project

- Extraction and processing on the FKJ-083 licence area from the lower-grade upper layers of gravels, tailings and overburden
- Sale achieved of first kilogramme of gold and platinum metals produced from the Choco Project
- Pit development works to access the 'virgin' higher-grade lower level gravels for processing by mid-October 2017

· Exploration programme ongoing on the HGE-082 licence area with respect to assessing the potential for future mining, involving test pitting and sampling activities, with results expected by Q4 2017

Commenting today, Bernard Olivier, CEO of Bezant, said:

"*During the period under review, we undertook the necessary preparations to enable the commencement of gold-platinum recovery operations at the group's wholly owned Choco Project in Western Colombia. Following this solid ground work, involving the commitment of over £1 million to the project's operations during the first half of 2017, Bezant is now successfully mining gold and platinum in Colombia. Our first precious metals have been sold and we are currently seeking to access the deeper levels of alluvial gravels where significantly higher grades are expected to be encountered. I look forward to providing further updates on our progress on the ground in due course*."

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.

Chairman's Statement

I am pleased to present the group's unaudited interim results for the six-month period ended 30 June 2017 and to report on the Company's ongoing activities to the date of this statement. Reflecting our ongoing activities, the unaudited consolidated results for the six-month period ended 30 June 2017 show a loss after tax of £1,006,000 (31 December 2016: £1,180,000; 30 June 2016: £8,865,000).

The first half of 2017 saw everyone involved in Bezant's Choco Project focus entirely on the preparatory work required to enable commencement of gold and platinum production on site in Colombia. Working closely with experienced local operational partners, Exumax S.A.S. ("**Exumax**"), the Company has ensured that shareholder funds have been efficiently deployed into building cash flow from gold and platinum mining operations. This essential work culminated in our first commercial production of gold and platinum metals with initial sales being achieved in Q3 2017. Mining on this first licence area, in addition to building cash flow, is key to us better understanding the production profile and thereby refining our business model in order to roll out planned further production plants across the more than 2,600 licenced hectares, in which the Company is currently interested, covering the extensive gold-platinum placer fields in the Choco region, where platinum was first discovered in the 19th Century.

The beginning of the year saw us working with Exumax to complete a series of surface and near-surface exploration activities on the FKJ-083 licence area. This area was previously mined by third parties between 2007 and 2012 and the Bezant-Exumax work programme focussed on correlating test open pit results with the historic mining and geological reports and platinum and gold recoveries. A large trial pit was completed over two phases with a total of 25,000m^3 of material being excavated during the first stage alone.

Within the period, we also reported the results from a total of 105 samples of alluvial material collected and processed through the pilot sampling plant. Concentrates from this operation were subsequently treated and analysed through the Company's onsite, mercury free, platinum and gold recovery laboratory. Combined platinum and gold grades of over 300mg/m^3 were achieved from shallow virgin platinum and gold bearing gravels. Although selected tailings' samples did return grades of over 100mg/m^3 the average grade for the tailings sampled was 30mg/m^3 which served to confirm and support the Company's view that treatment of the historic tailings dumps is likely to be uneconomic unless it forms part of the overburden located on virgin platinum and gold bearing gravels.

The grades achieved and test pitting analysis confirmed the historic third party reported grades and conditions encountered during historical mining operations and Bezant therefore proceeded to commission an independent cost analysis and scoping study on the project. This study was conducted by mining consultancy, INGEX Grupo Minero S.A.S., located in Medellin, Colombia, and its findings, announced in March 2017, supported our decision to commence production operations at Choco.

In March 2017, following completion of the abovementioned key workstreams, Bezant successfully raised £1m gross in order to fund certain option payments with respect to Mining Licences in Colombia, begin mine development and augment its working capital position.

Further to the positive recovery results from test pitting and the results of the independent scoping study, Bezant proceeded to exercise one of its existing options over two alluvial platinum and gold licences, namely FKJ-083 and HCA-082, in Colombia (the "**Licences**") (the "**Option**"). The Option was held by Bezant's wholly owned Colombian subsidiary, Ulloa Recursos Naturales SAS ("**Ulloa**"). Pursuant to the terms of the agreements relating to the acquisition of Ulloa's parent company, Leeward Islands Exploration LLC, in January 2016, the exercise price payable by Bezant to acquire the Licences was, in aggregate, US$300,000, with the first US$100,000 being paid within the period on serving the notice of exercise and the balance payable on or before 5 December 2017.

Having secured the Licences, Bezant then swiftly completed the acquisition of its first fully-equipped, purpose built, modern alluvial processing plant which was already situated in Colombia and ready for mobilisation to site, via the acquisition of Kellstown Investments Corp in early June 2017 for initial consideration comprising a cash payment of US$200,000 and the issue of 25 million new ordinary shares and deferred consideration of a further 15 million new ordinary shares payable when the plant has for 10 consecutive work days processed 900m^3 of material per day. The mercury-free alluvial processing plant is capable of processing up to 100m^3 of material per hour (approximately 150 tonnes per hour) and is the first modern plant of its kind to be utilised on the deposit. As part of our plan to eventually operate multiple low cost plants, we also acquired all of the technical material and data to enable us to manufacture additional low cost plants within Colombia itself in the future.

Post the reporting period end, we entered into a rapid mobilisation and commissioning stage and, at the time of writing, we have successfully sold our first kilogramme of precious metals production from the Choco Project to a Colombian commodity trading house and expect to shortly commence mining of the higher-grade, virgin, lower level gravels. Ramp-up will continue throughout the last quarter of 2017 as we extract, process and analyse the results of the deeper level, higher-grade alluvial gravels and we look forward to providing further updates in due course.

Mr Edward Nealon
Non-Executive Chairman

28 September 2017

Group Statement of Comprehensive Income

For the six months ended 30 June 2017

	Notes	**Unaudited *Six months ended 30 June 2017 £'000***	Audited *Six Months ended 31 December 2016 £'000*	Unaudited *Six months ended 30 June 2016 £'000*
Continuing operations				
Group revenue		**-**	-	-
Cost of sales		**-**	-	-
Gross profit/(loss)		**-**	-	-
Operating expenses		**(1,009)**	(1,027)	(525)
Group operating loss		**(1,009)**	(1,027)	(525)
Other income		**3**	2	-
Impairment	**3**	**-**	(155)	(8,278)
Share of Associates' loss		**-**	-	(62)
Loss before taxation		**(1,006)**	(1,180)	(8,865)
Taxation		**-**	-	-
Loss for the period		**(1,006)**	(1,180)	(8,865)

	Note			
Attributable to:				
Owners of the Company		**(1,006)**	(1,172)	(8,849)
Non-controlling interest		**-**	(8)	(16)
	2	**(1,006)**	(1,180)	(8,865)
Other comprehensive income:				
Foreign currency reserve movement		**23**	(66)	339
Total comprehensive loss for the period		**(983)**	(1,246)	(8,526)
Attributable to:				
Owners of the Company		**(986)**	(1,235)	(8,504)
Non-controlling interest		**3**	(11)	(22)
		(983)	(1,246)	(8,526)
Loss per share (pence)				
Basic and diluted	**4**	(0.34)	(0.67)	(8.17)

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Share Capital £'000	Share Premium £'000	Shares to be issued £'000	Other Reserves £'000	Retained Losses £'000	Non-Controlling interest £'000	Total Equity £'000
Unaudited - six months ended 30 June 2017							
Balance at 1 January 2017	**410**	**33,227**	**-**	**991**	**(27,756)**	**(54)**	**6,818**
Current period loss	-	-	-	-	(1,006)	-	(1,006)
Foreign currency reserve	-	-	-	20	-	3	23
Total comprehensive loss for the period	**-**	**-**	**-**	**20**	**(1,006)**	**3**	**(983)**
Proceeds from shares issued (net of expenses)	200	694	-	-	-	-	894
Warrants issued	-	-	-	8	-	-	8
Issue of ordinary shares related to business combination	50	221	-	-	-	-	271
Acquisition of subsidiary companies	-	-	163	-	-	-	163
Balance at 30 June 2017	**660**	**34,142**	**163**	**1,011**	**(28,762)**	**(51)**	**7,171**
Audited - six months ended 31 December 2016							
Balance at 1 July 2016	**274**	**32,048**	**-**	**1,054**	**(26,584)**	**(43)**	**6,749**
Current period loss	-	-	-	-	(1,172)	(8)	(1,180)
Foreign currency reserve	-	-	-	(63)	-	(3)	(66)
Total comprehensive loss for the period	**-**	**-**	**-**	**(63)**	**(1,172)**	**(11)**	**(1,246)**
Proceeds from shares issued	122	1,031	-	-	-	-	1,153
Issue of ordinary shares related to business combination	14	148	-	-	-	-	162

Balance at 31 December 2016	**410**	**33,227**		**991**	**(27,756)**	**(54)**	**6,818**
Unaudited - six months ended 30 June 2016							
Balance at 1 January 2016	199	31,421	-	709	(17,735)	-	14,594
Current period loss	-	-	-	-	(8,849)	(16)	(8,865)
Foreign currency reserve	-	-	-	345	-	(6)	339
Total comprehensive loss for the period	**-**	**-**	**-**	**345**	**(8,849)**	**(22)**	**(8,526)**
Issue of ordinary shares related to business combination	75	627	-	-	-	-	702
Subsidiary acquired	-	-	-	-	-	(21)	(21)
Balance at 30 June 2016	**274**	**32,048**	**-**	**1,054**	**(26,584)**	**(43)**	**6,749**

Consolidated Balance Sheet

As at 30 June 2017

	Notes	Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
ASSETS				
Non-current assets				
Plant and equipment	**5**	**2,385**	20	55
Intangible assets	**6**	**316**	1,834	1,620
Exploration and evaluation assets	**7**	**4,789**	4,790	4,790
Total non-current assets		**7,490**	6,644	6,465
Current assets				
Trade and other receivables		**121**	73	115
Cash and cash equivalents		**199**	229	261
Total current assets		**320**	302	376
TOTAL ASSETS		**7,810**	6,946	6,841
LIABILITIES				
Current liabilities				
Trade and other payables		**639**	128	92
Total current liabilities		**639**	128	92
NET ASSETS		**7,171**	6,818	6,749
EQUITY				
Share capital	**8**	**660**	410	274
Share premium	**8**	**34,142**	33,227	32,048
Shares to be issued	**10**	**163**	-	-
Share-based payment reserve		**273**	265	265
Foreign exchange reserve		**746**	726	789
Retained losses		**(28,762)**	(27,756)	(26,584)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**7, 222**	6,872	6,792
NON-CONTROLLING INTEREST		**(51)**	(54)	(43)
TOTAL EQUITY		**7,171**	6,818	6,749

Consolidated Statement of Cash Flows
For the six months ended 30 June 2017

	Unaudited Six	Audited Six months ended 31	Unaudited Six

	Notes	months ended 30 June 2017 £'000	December 2016 £'000	months ended 30 June 2016 £'000
Net cash outflow from operating activities	**9**	**(576)**	(950)	(525)
Cash flows used in investing activities				
Other income		**26**	24	15
Acquisition of plant and equipment		**(2)**	(3)	-
Deferred exploration expenditure		**-**	-	(2)
Option payments (net)		**(234)**	(91)	33
Acquisition of subsidiary, net of cash acquired		**(155)**	-	(669)
Loans to associates and subsidiaries		**-**	(155)	(205)
		(365)	(225)	(828)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares (net of issue cost)		**894**	1,118	-
		894	1,118	-
Decrease in cash		**(47)**	(57)	(1,353)
Cash and cash equivalents at beginning of period		**229**	261	1,550
Foreign exchange movement		**17**	25	64
Cash and cash equivalents at end of period		**199**	229	261

Notes to the interim financial information
For the six months ended 30 June 2017

1. **Basis of preparation**

The unaudited interim financial information set out above, which incorporates the financial information of the Company and its subsidiary undertakings (the "**Group**"), has been prepared using the historical cost convention and in accordance with International Financial Reporting Standards ("**IFRS**"), including IFRS 6 'Exploration for and Evaluation of Mineral Resources', as adopted by the European Union ("**EU**") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

These interim results for the six months ended 30 June 2017 are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial statements for the six months ended 31 December 2016 have been delivered to the Registrar of Companies and the auditors' report on those financial statements was unqualified and contained an emphasis of matter pertaining to going concern.

Going concern basis of accounting

The Group made a loss after tax from all operations for the six months ended 30 June 2017 of £1.0 million, had negative cash flows from operations and is currently not generating significant revenues. Cash and cash equivalents were £199,000 as at 30 June 2017. An operating loss is expected in the 12 months subsequent to the date of these results and accordingly the Company will probably need to raise funding in addition to the £585,000 net of expenses raised in July 2017 to provide additional working capital to finance its on-going activities especially if it decides to exercise its remaining option over certain platinum and gold licences in Colombia. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

There is a material uncertainty related to the conditions above that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the Board's assessment that the Company will be able to raise additional funds, if required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Group can continue in operational existence for the foreseeable future. For these reasons the Group continues to adopt the going concern basis in preparing this unaudited interim financial information.

2. **Segment reporting**

For the purposes of segmental information, the operations of the Group are focused in three geographical segments, namely: the UK, Argentina and Colombia and comprise one class of business: the exploration, evaluation and development of mineral resources. The UK is used for the administration of the Company.

The Group's operating loss arose from its operations in the UK, Argentina and Colombia.

For the six months ended 30 June 2017

	UK £'000	Argentina £'000	Colombia £'000	Total £'000

	UK	Argentina	Philippines	Colombia	Total
Consolidated loss before tax	**(487)**	**(33)**		**(486)**	**(1,006)**
Included in the consolidated loss before tax are the following income/(expense) items:					
Depreciation	**(1)**	**(2)**		**-**	**(3)**
Interest received	**-**	**-**		**-**	**-**
Foreign currency loss	**(92)**	**-**		**(8)**	**(100)**
Total Assets	**88**	**4,830**		**2,892**	**7,810**
Total Liabilities	**(303)**	**(12)**		**(324)**	**(639)**

For the six months ended 31 December 2016

	UK £'000	Argentina £'000	Philippines £'000	Colombia £'000	Total £'000
Consolidated loss before tax	(580)	(21)	(133)	(446)	(1,180)
Included in the consolidated loss before tax are the following income/(expense) items:					
Depreciation	(1)	(2)	-	-	(3)
Interest received	-	-	-	-	-
Foreign currency gain	12	-	-	2	14
Total Assets	230	4,824	-	1,892	6,946
Total Liabilities	(91)	(7)	-	(30)	(128)

For the six months ended 30 June 2016

	UK £'000	Argentina £'000	Philippines £'000	Colombia £'000	Total £'000
Consolidated loss before tax	(8,618)	(23)	(59)	(165)	(8,865)
Included in the consolidated loss before tax are the following income/(expense) items:					
Depreciation	(1)	(2)	-	-	(3)
Interest received	-	-	-	-	-
Foreign currency gain	62	-	-	-	62
Total Assets	247	4,863	59	1,672	6,841
Total Liabilities	(70)	(3)	-	(19)	(92)

3. Impairment

	Unaudited Six months ended 30 June 2017 £'000	Audited Six months ended 31 December 2016 £'000	Unaudited Six months ended 30 June 2016 £'000
Impairment loss on loan to associate	**-**	155	3,310
Impairment loss on investment in associate	**-**	-	4,968
	-	155	8,278

4. Loss per share

The basic and diluted loss per share have been calculated using the loss attributable to equity holders of the Company for the six months ended 30 June 2017 of £1,006,000 (six months ended 31 December 2016: £1,172,000; six months ended 30 June 2016: £8,849,000). The basic loss per share was calculated using a weighted average number of shares in issue of 298,892,115 (six months ended 31 December 2016: 175,167,279; six months ended 30 June 2016: 108,279,905).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 301,289,915 (six months ended 31 December 2016: 177,565,079; six months ended 30 June 2016: 110,677,705).

The diluted loss per share and the basic loss per share are recorded as the same amount, as conversion of share options decreases the basic loss per share, thus being anti-dilutive.

5. Plant and equipment

		Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
5.1	**Cost**			
	Balance at beginning of period	**95**	139	139
	Acquisitions through business combinations - Plant (note 8)	**708**	-	-
	Transfer - Mine development from options (note 5)	**1,439**		
	Transfer - Mine development - Option exercised (note 5)	**227**	-	-
	Additions - Equipment	**2**	3	-
	Exchange differences	**(10)**	(47)	-
	At end of period	**2,461**	95	139
5.2	**Depreciation**			
	Balance at beginning of period	**75**	84	81
	Charge for the period	**3**	3	3
	Exchange differences	**(2)**	(12)	-
	At end of period	**76**	75	84
	Net book value at end of period	**2,385**	20	55

6. Intangible assets

		Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
6.1	**Options to acquire exploration licences**			
	Balance at beginning of period	**1,672**	1,620	-
	Acquisitions through business combinations - Colombian projects' rights over platinum and gold licence areas	**-**	-	1,620
	Additions	**-**	91	-
	Options acquired through business combinations transferred to Mine Development (note 4)	**(1,439)**	-	-
	Contribution to option costs	**(275)**		
	Payment to exercise option	**437**		
	Transfer option exercised to Mine Development (note 4)	**(227)**		
	Exchange differences	**(14)**	(39)	-
	Carried forward at end of period	**154**	1,672	1,620
6.2	**Intellectual property rights over proprietary geological data**			
	Balance at beginning of period	**162**	-	-
	Acquisitions through business combinations - Rights over geological information and other data	**-**	162	-
	Carried forward at end of period	**162**	162	-
	Total intangibles	**316**	1,834	1,620

The options to acquire exploration licences represent an attractive opportunity to potentially generate long-term shareholder value via the creation of a low cost platinum and gold production operation outside of South Africa. Whilst PGM prices are currently depressed, significant pressure on major platinum sources and depleting stock-piles should enable Bezant to realise potentially significant margins from the successful future development of such licence areas. The Board of Directors of Bezant has significant past experience of successfully developing world-class PGM group production sources with the Company's Non-Executive Chairman, Edward Nealon, having founded Aquarius Platinum Limited and Sylvania Resources Limited. The option over the FKJ-083 and HCA-082 licence areas was exercised during the six months ended 30 June 2017.

The intellectual property rights represent proprietary geological information and other data utilised in exploration activities.

The directors have assessed the value of these intangible assets, and in their opinion, based on a review of the remaining option over licence acreage of interest, expected available funds and the opportunity to potentially create a suitable low cost platinum and gold production operation, no impairment is necessary.

7. Exploration and evaluation assets

	Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
Balance at beginning of period	**4,790**	4,790	4,788
Additions	**-**	-	2
Foreign exchange	**(1)**	-	-
Carried forward at end of period	**4,789**	4,790	4,790

The amount of capitalised exploration and evaluation expenditure relates to 11 licences comprising the Eureka Project which are located in north-west Jujuy near to the Argentine border with Bolivia and are formally known as Mina Eureka, Mina Eureka II, Mina Gino I, Mina Gino II, Mina Mason I, Mina Mason II, Mina Julio I, Mina Julio II, Mina Paul I and Mina Paul II, covering, in aggregate, an area in excess of approximately 5,500 hectares and accessible via a series of gravel roads. All licences remains valid and in good standing.

The directors have assessed the value of the intangible assets, and in their opinion, based on a review of the expiry dates of licences, expected available funds and the intention to continue exploration and evaluation, no impairment is necessary.

8. Share capital

	Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
Number			
Authorised			
5,000,000,000 ordinary shares of 0.2p each	**10,000**	10,000	10,000
Allotted, called up and fully paid			
As at beginning of the period	**410**	274	199
Share subscription	**200**	122	-
Acquisition of subsidiary	**50**	14	75
As at end of period	**660**	410	274

	Number of shares 30 June 2017	Number of shares 31 December 2016	Number of shares 30 June 2016
Ordinary share capital is summarised below:			
As at beginning of the period	**204,953,507**	136,833,162	99,527,025
Share subscription	**100,000,000**	59,450,000	-
Shares issued to directors*	**-**	1,468,600	-
Acquisition of subsidiary	**25,000,000**	7,201,745	37,306,137
As at end of period	**329,953,507**	204,953,507	136,833,162

* In satisfaction of certain accrued directors' fees and salaries which had been unpaid since 1 June 2016, Bezant issued 1,468,600 new ordinary shares of 0.2 pence each in the Company on 27 September 2016. The conversion was made at the volume weighted average price ("**VWAP**") of the Company's shares over the period the fees were outstanding. The VWAP over the period of approximately 2.5 pence per share represented a premium of approximately 5 per cent. to the closing mid-market share price of 2.38 pence on 27 September 2016. In total, unpaid fees of, in aggregate, £36,715 were converted into new ordinary shares.

	Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
The share premium was as follows:			
As at beginning of period	**33,227**	32,048	31,421
Share subscription	**800**	1,102	-
Share issue costs	**(106)**	(71)	-
Acquisition of subsidiary	**221**	148	627
As at end of period	**34,142**	33,227	32,048

Each fully paid ordinary share carries the right to one vote at a meeting of the Company. Holders of shares also have the right to receive dividends and to participate in the proceeds from sale of all surplus assets in proportion to the total shares issued in the event of the Company winding up.

9. Reconciliation of operating loss to net cash outflow from operating activities

	Unaudited Six months ended 30 June 2017 £'000	Audited Six months ended 31 December 2016 £'000	Unaudited Six months ended 30 June 2016 £'000
Operating loss	**(1,009)**	(1,027)	(525)
Depreciation and amortisation	**3**	3	3
VAT refunds received	**(26)**	(24)	(15)
Foreign exchange loss/(gain)	**100**	(14)	(62)
Share option expense	**8**	-	-
(Decrease)/increase in receivables	**(40)**	45	77
Increase in payables	**388**	67	(3)
Net cash outflow from operating activities	**(576)**	(950)	(525)

10. Acquisition of subsidiaries

On 31 May 2017, the Company signed an agreement to acquire a Panamanian special purpose vehicle, Kellstown Investments Corp ("**Kellstown**") for a cash consideration of US$200,000 and initial equity consideration comprising the issue of 25 million new ordinary shares of 0.2 pence each in the capital of the Company on Completion. Deferred consideration comprising of a further 15 million Ordinary Shares will be payable when the plant being acquired has for 10 consecutive scheduled work days processed $900m^3$ of material per day. Kellstown via its wholly owned subsidiary owns both a processing plant and mobile test plant and certain other mining equipment which will be utilised in mining operations on the Company's FKJ-083 mining licence in Colombia.

The acquisition-date fair values of the assets acquired and liabilities assumed and the consideration transferred were as follows:

	Acquisition £'000
Plant and equipment (note 4)	708
Trade and other receivables	8
Trade and other payables	(127)
Net assets and liabilities acquired	**589**
Consideration:	
- Issue of Bezant ordinary shares	(271)
- Deferred contingent consideration	(163)
- Cash paid	(155)
Total consideration transferred	**(589)**

The plant and equipment was revalued to fair value at the date of acquisition. The excess amount paid for Kellstown and its subsidiary undertakings over the aggregate fair value of their separable net assets and liabilities has been attributed to the plant.

11. Subsequent events

As announced on 5 July 2017, the Company raised, in aggregate, approximately £585,000 (approximately US$754,650) before expenses, through a placement, via Beaufort Securities Limited and Peterhouse Corporate Finance Limited as well as a subscription, with certain existing and new institutional and other investors, of, in aggregate, 68,823,529 new ordinary shares of 0.2 pence each in the capital of the Company at a price of 0.85 pence per share.

As announced on 7 August 2017, in order to conserve its cash reserves, the Company issued, in aggregate, 12,359,642 new ordinary shares of 0.2 pence each in the capital of the Company at an issue price of 1.2976 pence per share in satisfaction of certain accrued directors' fees and salaries which had been unpaid from 1 October 2016 to 31 July 2017 as well as certain unpaid senior management and consultancy fees and salaries within the same period, which, in aggregate totalled £160,378.

12. Availability of Interim Report

A copy of these interim results will be available from the Company's registered office during normal business hours on any weekday at Level 6, Quadrant House, 4 Thomas More Square, London E1W 1YW and can also be downloaded from the Company's website at www.bezantresources.com. Bezant Resources Plc is registered in England and Wales with company number 02918391.

INDEPENDENT REVIEW REPORT BY THE AUDITORS TO BEZANT RESOURCES PLC

Introduction

We have been engaged by the Company to review the condensed financial information in the interim results for the six months ended 30 June 2017 which comprises the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Cash Flow Statement and the related notes. We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities
The interim results are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the AIM Rules for Companies.

As disclosed in note 1, the annual financial statements of the Group will be prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in the interim results has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

Our Responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim results based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matters Going concern
We have considered the adequacy of the going concern disclosures made in note 1 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred an operating loss of £1m during the period ended 30 June 2017 and is still incurring losses. As discussed in note 1, the Group has raised £585,000 before expenses post period end but will need to raise further funds in order to meet its budgeted operating costs. These conditions, along with other matters discussed in note 1 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The interim results do not include the adjustments (such as impairment of assets) that would result if the Group were unable to continue as a going concern.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed financial statements in the interim results for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

UHY Hacker Young LLP
Chartered Accountants
Registered Auditors
London

28 September 2017

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