



Interim Results

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Firestone Diamonds PLC
12 March 2015

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Firestone Diamonds plc

("Firestone" or the "Company")

Unaudited Interim Results for the six months to 31 December 2014

Firestone (AIM: FDI), the AIM-quoted diamond development company, announces its unaudited interim results for the six months ended 31 December 2014 ("H1 2015" or the "period").

HIGHLIGHTS

Liqhobong Mine Development Project, Lesotho (the "Project" or "Liqhobong")

- Project commenced in late June 2014 currently within budget and on schedule to achieve initial production at the end of H1 2016
- Grid power project progressing on schedule with connection expected during the second half of 2015
- Over 1,000 jobs created in Lesotho
- Maintained safety record of zero lost time injuries

BK11 Mine, Botswana ("BK11")

- Remains on care and maintenance
- Disposal process announced in August 2014 ongoing

Financial

- Loss for the six month period decreased by US\$3.3 million to US\$4.4 million (H1 2014: US\$7.7 million)
- Loss per share of 1.5 cents (H1 2014: 8.8 cents)
- Consolidated net cash at 31 December 2014 was US\$47.3 million (H1 2014: US\$4.2 million)
- Total debt facilities of US\$112.4 million are in place, US\$82.4 million Project Finance Facility through Absa Bank Limited and US\$30.0 million debt facility from Pacific Road Resources Funds and Resource Capital Fund VI L.P.
- Corporate costs decreased by US\$0.6 million to US\$1.6 million (H1 2014: US\$2.2 million)

Stuart Brown, Chief Executive Officer of Firestone, commented:

"We are pleased to report on the last six months in which Liqhobong has moved from the concept of a large scale, tier one diamond mine, to construction.

"The period has been one of intense operational effort with the creation of approximately 1,000 jobs in Lesotho. All major construction contracts have been finalised and good progress has been made to date. The Project remains on schedule to achieve initial production at the end of H1 2016. I look forward to keeping shareholders updated on the Project's progress."

Analyst conference call and presentation

Firestone will be hosting an analyst conference call and presentation today, 12 March 2015, at 09:30 GMT. Participants may

access the call by dialling one of the following numbers below approximately 10 minutes prior to the start of the call. The presentation can be found on the Company's website; www.firestonediamonds.com or by clicking on the link below:

From UK (toll free): 080 8237 0030

From the rest of the world: +44 (0)20 3139 4830

Participant PIN code: 65046477#

The presentation is available via the following link: <http://anywhereconference.com?UserAudioMode=DATA&Name=&Conference=131655523&PIN=65046477>

For further information, please visit the Company's website or contact:

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Background information on Firestone

Firestone is an international diamond development company with operations focused on Lesotho. Firestone is currently in the process of developing the Liqhobong Mine Development Project in Lesotho to become a plus one million carat per annum producer.

Lesotho is emerging as one of Africa's significant new diamond producers, and hosts Gem Diamonds' Letseng Mine, Firestone's Liqhobong Mine, as well as Namakwa Diamonds' Kao Mine and the Mothae development project.

For more information please visit: www.firestonediamonds.com.

CHAIRMAN'S STATEMENT

In late June 2014, the Group's vision of developing a tier one, large scale mining operation, started to turn into reality as it commenced construction at Liqhobong in the Lesotho highlands. Today, I am extremely pleased to report that, despite above average seasonal rains causing some interruption, the Project is on track to commence initial production at the end of H1 2016, and will thereafter ramp up to full production which is anticipated to deliver average annual production of more than one million carats over the currently expected mine life of 15 years.

Operationally, work on the Project continues apace and the Company has successfully dismantled and removed the pilot plant from site. Under the leadership of Glenn Black, the Chief Project Officer, all major construction contracts have been

finalised and strong progress has been made to date, in line with the Company's expected Project timeline. More than 400 people have already been employed on the Project, with this number anticipated to rise further to approximately 800 people during the course of this year, and a further 600 people have been employed on the electrical infrastructure project. Currently, we have over 200 pieces of earthmoving and construction equipment deployed.

The project to connect the mine to the grid power is a separate project (budgeted at ZAR165.0 million) which is proceeding well and is expected to be completed during the second half of 2015, ahead of the initial schedule.

Liqhobong's remote location, in the Maluti Mountains, has proven to be the challenge we anticipated and during the first six months of construction activities, the Company experienced adverse seasonal weather conditions and some delays in the issuing of work permits. These issues, however, were not unexpected, and are within the normal anticipated deviations, reflecting the nature of the environment. Additional crews have been deployed to ensure that the Project remains on schedule and within budget.

With regards to the Project Finance Facility of up to US\$82.4 million from Absa Bank Limited (the "Project Finance Facility") and the US\$30.0 million debt facility from the Company's two largest shareholders, the Group is currently making good progress in terms of finalising the remaining conditions precedent prior to the expected draw down on the facilities during the second quarter of 2015. In respect of the Project Finance Facility, the remaining conditions precedent include, *inter alia*, putting in place a standby debt facility of US\$13.0 million to fund any potential cost over-runs or delays, which is expected to be obtained from Resource Capital Fund VI L.P., further details of which are expected to be announced in due course.

The Project team has set a very high safety standard of zero lost time injuries over the Project's life and, to date, the team has maintained this target.

I am pleased to report that the Lesotho General Elections held at the end of February 2015, were proclaimed free and fair and we look forward to continuing our good relationship with our partner, the Government of the Kingdom of Lesotho.

Finally, on behalf of the Board, I would like to thank both the management and project teams for their dedication and commitment during the first six months of construction. I look forward to keeping shareholders updated throughout the duration of the Project as we transition towards initial production in 2016 and beyond.

Lucio Genovese
Non-Executive Chairman
12 March 2015

OPERATIONAL REVIEW

Liqhobong Mine Development Project, Lesotho

The Project is progressing well and overall it is currently on schedule and within budget. The first six months of the Project encountered both winter and summer weather conditions. The winter was relatively mild which enabled the Project to start well and the Project team to get ahead on a number of work streams before entering the start of the rainy season in November. The above average rainfall experienced in November and December and delays experienced in the issuing of work permits to the Civils and Earthworks Contractor had an initial negative impact, necessitating a re-scheduling of certain works and increased work load. The Project team also encountered areas where excess top soil needed to be removed which, in combination with the wet weather, caused days to be lost through personnel not being able to work safely. These issues were not unexpected and within normal anticipated deviations due to the nature of the environment. Additional crews were deployed to ensure that the Project remains on schedule and within budget.

Work on the residue tailings facility starter wall and the accommodation terraces is also progressing well. Overall, as at the end of December, the Project was marginally ahead of schedule with significant progress being made on the construction of the tailings dam wall as well as other earthworks and site preparations. Design, engineering and procurement were set as a priority by the Project team and significant progress has been made ahead of the scheduled targets to ensure the smooth completion of the Project.

The provision of electrical infrastructure to connect the mine to grid power is a separate project which is also progressing as planned. The total grid power project cost is ZAR165.0 million with Firestone funding ZAR145.0 million and the balance, ZAR20.0 million, being funded by the local company engaged to construct the power infrastructure. All equipment and long lead item orders have been placed and site preparation for the substations is well advanced. Connection to grid power is expected to be achieved during the second half of 2015, ahead of the initial schedule, which should then enable the Company to realise savings against the Project's budget, as it will be able to use grid power instead of more expensive diesel-generated power.

At the end of December, a total of ZAR1.28 billion in orders out of the total budgeted ZAR1.43 billion EPCM contract have been placed. The three largest sub-contracts under the EPCM contract, totalling ZAR943.0 million, have been agreed on a fixed price/cost basis to remove price escalation risk. The total Project spend, excluding power expenditure, as at the end of December was ZAR460.0 million. Advance payments were made as part of the upfront fixed price agreements reached with certain suppliers. The Project remains fully funded through a combination of equity and debt financing of US\$112.4 million, comprising the US\$82.4 million Project Finance Facility and a US\$30.0 million debt facility from the Company's two largest shareholders.

The grid power and main treatment plant projects combined have created over 1,000 local jobs, and it is expected that the level of employment will continue to increase as the Project progresses.

Health, Safety and Environment

The Project team, in line with the Group's policy, has strived to maintain a zero harm policy to both people and the environment.

We are pleased to report that there have been zero lost time injuries during the first six months of construction. Furthermore, there have been no major environmental incidents during the reporting period and our relations with the local communities in which we operate remain strong.

BK11 Mine, Botswana

The mine has continued to be kept on care and maintenance at a cost to the Group of US\$46,000 (H12014: US\$46,000) per month.

Management initiated a formal disposal process for the Group's BK11 mine in August 2014 which is in line with the strategy to focus resources on the Company's key asset, the Liqhobong Mine Development Project.

FINANCIAL REVIEW

Income Statement

The Group incurred a loss for the six month period ended 31 December 2014 of US\$4.4 million which is substantially less than the prior year's loss of US\$7.7 million. However, results for the comparative period included US\$4.5 million of operational losses incurred from Liqhobong's pilot plant which operated for the first four months of that reporting period before being placed on care and maintenance in October 2013. The loss for the period under review included accounting losses on foreign exchange movements of US\$2.1 million and lower corporate costs of US\$1.6 million (H1 2014: US\$2.2 million), which were offset by finance income of US\$0.3 million (H1 2014: Nil).

The foreign exchange losses resulted from Pound Sterling cash balances being translated into US Dollars at the prevailing rates at the end of the reporting period. It is the Company's policy to maintain certain levels of cash in the different currencies in which it expects to incur expenditure. This policy may lead to accounting losses or gains being incurred at each reporting date as a result of the accounting requirement to convert closing balances at spot rates prevailing on such dates. During the period, the US Dollar appreciated by approximately 8.9 per cent. against the Pound Sterling resulting in accounting losses being recognised at the end of the period.

Balance Sheet

Equity for the Group decreased by US\$13.0 million to US\$146.3 million during the period (FY 2014: US\$159.3 million). The decrease resulted from the loss of US\$4.4 million, translation losses of US\$6.5 million and losses on forward exchange contracts designated as cash flow hedges of US\$1.9 million. Translation losses arise when the accounts of Group companies which operate in currencies other than the Group's reporting currency, the US Dollar, are translated at the end of each reporting period. Translation losses for the period were caused by a significant weakening of the Lesotho Maloti, Botswana Pula and South African Rand, currencies in which a majority of the Group's assets are denominated, which therefore resulted in lower values in US Dollar terms.

The Group's total assets reduced by US\$10.3 million to US\$161.3 million during the period (FY 2014: US\$171.6 million) mainly due to the strength in the US Dollar, which resulted in assets in other currencies being valued at lower US Dollar amounts on translation. Cash balances reduced by US\$59.7 million to US\$47.3 million (FY 2014: US\$107.0 million) mainly due to payments to the Group's suppliers and contractors in respect of the Project. Property, plant and equipment increased by US\$43.2 million to US\$93.3 million (FY 2014: US\$50.1 million) as a result of further development at the Project and the value of other assets increased by US\$6.2 million to US\$20.7 million (FY 2014: US\$14.5 million). Other assets include deposits paid on hedge contracts of US\$4.8 million, working capital items of US\$3.0 million and non-current assets held for sale of US\$12.9 million.

Total liabilities increased by US\$2.7 million for the period to US\$15.0 million (FY 2014: US\$12.3 million). Trade payables of US\$8.0 million, which increased since the year-end by US\$3.3 million, relate mainly to the Project and include hedge liabilities of US\$2.6 million. Other changes during the period include a decrease in non-current liabilities of US\$0.5 million and a decrease in liabilities of a disposal group of US\$0.1 million.

Cash Flow

The Group began the period with cash of US\$107.0 million (H1 2014: US\$4.3 million) after raising, in aggregate, US\$108.7 million net of expenses via a capital raise which was concluded in May 2014 as part of the wider financing for the Project. The Group spent a total of US\$58.3 million during the period, US\$10.0 million on operating activities and US\$48.6 million on investing activities in respect of the Project, which was offset by US\$0.3 million of interest income. The strengthening of the US Dollar against both the Pound Sterling and South African Rand resulted in foreign exchange losses on opening cash balances of US\$1.4 million. Closing cash at the end of December 2014 was US\$47.3 million.

Cash of US\$10.0 million was used in operating activities during the period, US\$3.8 million to fund operating losses and US\$6.2 million in working capital. The increase in working capital includes US\$4.7 million paid as deposits on certain hedge contracts in line with the Company's policy on hedging. Hedge contracts were entered into in order to provide certainty in respect of the South African Rand value that would be received on future dates, since this is the currency in which project expenditure is incurred. As explained previously, the Company's policy on hedging may lead to accounting losses or gains being incurred at each reporting date as a result of the accounting requirement to convert closing balances at spot rates prevailing on those dates. The significant strengthening of the US Dollar against both Pound Sterling and South African Rand resulted in accounting losses on foreign exchange during the period.

The Group invested US\$48.6 million in the Liqhobong Mine Development Project during the period. The Project has a total budget of US\$185.4 million and is expected to be completed by mid-2016.

The Group ended the period with cash balances of US\$47.3 million.

Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2014

(Unaudited)

	6 months ended 31.12.2014 Unaudited	6 months ended 31.12.2013 Unaudited	Year ended 30.06.2014 Audited
Note	US\$'000	US\$'000	US\$'000
Revenue	-	4,075	3,954
Cost of sales	-	(7,809)	(8,512)
Gross loss	-	(3,734)	(4,558)
Selling and distribution expenses	-	513	507

Administrative expenses	257	353	1,961	
Amortisation and depreciation	107	470	51	
Loss on sale of property, plant and equipment	3	16	-	
Loss/(profit) on foreign exchange	2,112	-	(509)	
Share-based payments	396	122	547	
Corporate expenses	1,568	2,159	3,400	
Loss before finance charges and income tax	(4,443)	(7,367)	(10,515)	
Finance income	301	5	51	
Finance costs	-	(5)	(1)	
Loss from continuing operations	(4,142)	(7,367)	(10,465)	
Loss from discontinued operations	(307)	(358)	(749)	
Loss from operations before tax	(4,449)	(7,725)	(11,214)	
Income tax (expense)/credit	-	(8)	15	
Loss for the period	(4,449)	(7,733)	(11,199)	
Loss after tax for the period attributable to:				
Owners of the parent				
Continuing operations	(4,158)	(6,111)	(8,893)	
Discontinued operations	(286)	(328)	(712)	
	(4,444)	(6,439)	(9,605)	
Loss after tax for the period attributable to:				
Non-controlling interests				
Continuing operations	16	(1,264)	(1,557)	
Discontinued operations	(21)	(30)	(37)	
	(5)	(1,294)	(1,594)	
Loss after tax for the period	(4,449)	(7,733)	(11,199)	
Loss per share				
Basic and diluted loss per share from continuing operations (cents)	5	(1.4)	(8.3)	(9.5)
Basic and diluted loss per share from discontinued operations (cents)	5	(0.1)	(0.5)	(0.8)
Total Basic and diluted loss per share		(1.5)	(8.8)	(10.3)
Loss after tax for the period		(4,449)	(7,733)	(11,199)
Other comprehensive income/(loss):				
Exchange differences on translating foreign operations net of tax				
Continuing operations	(9,785)	(7,390)	(122)	
Discontinued operations	1,655	215	(2,598)	
	(8,130)	(7,175)	(2,720)	
Loss on foreign exchanges hedges	(2,584)	-	-	
Total comprehensive loss for the period	(15,163)	(14,908)	(13,919)	
Total comprehensive loss for the period attributable to:				
Owners of the parent				
Continuing operations	(14,030)	(12,194)	(4,890)	
Discontinued operations	1,137	(401)	(3,370)	
	(12,893)	(12,595)	(8,260)	
Total comprehensive income/(loss) for the period attributable to:				
Non-controlling interests				
Continuing operations	(2,480)	(2,571)	(5,681)	
Discontinued operations	210	258	22	
	(2,270)	(2,313)	(5,659)	
Total comprehensive loss for the period	(15,163)	(14,908)	(13,919)	

Consolidated Statement of Financial Position

As at 31 December 2014

(Unaudited)

	Note	31.12.2014 Unaudited US\$'000	31.12.2013 Unaudited US\$'000	30.06.2014 Audited US\$'000
ASSETS				
Non-current assets				

shares	38,585	77,462	-	-	-	-	116,047	-	116,047
Share issue expenses	-	(5,185)	-	-	-	-	(5,185)	-	(5,185)
Share-based payment transactions	-	-	-	423	-	-	423	-	423
Share-based payment lapse/reversals	-	-	-	(2,089)	-	2,089	-	-	-
Total contributions by and distributions to owners	38,585	72,277	-	(1,666)	-	2,089	111,285	-	111,285
Balance at 30 June 2014 (Audited)	163,441	163,600	(1,614)	3,690	(27,713)	(125,103)	176,301	(16,999)	159,302
Profit or loss	-	-	-	-	-	(4,444)	(4,444)	(5)	(4,449)
Foreign currency translation differences	-	-	-	-	(6,511)	-	(6,511)	(1,619)	(8,130)
Loss on foreign exchange hedges	-	-	-	(1,938)	-	-	(1,938)	(646)	(2,584)
Total comprehensive loss for the period	-	-	-	(1,938)	(6,511)	(4,444)	(12,893)	(2,270)	(15,163)
Contributions by and distributions to owners									
Minority Investment in subsidiary	-	-	-	-	-	-	-	1,781	1,781
Share-based payment transactions	-	-	-	396	-	-	396	-	396
Share-based payment lapse/reversals	-	-	-	(441)	-	441	-	-	-
Total contributions by and distributions to owners	-	-	-	(45)	-	441	396	1,781	2,177
Balance as at 31 December 2014 (Unaudited)	163,441	163,600	(1,614)	3,645	(34,224)	(129,106)	163,804	(17,488)	146,316

Consolidated Statement of Cash Flows

For the six months ended 31 December 2014

(Unaudited)

	6 months ended 31.12.2014 Unaudited US\$'000	6 months ended 31.12.2013 Unaudited US\$'000	Year ended 30.06.2014 Audited US\$'000
Cash flows from operating activities			
Loss from continuing activities before income tax	(4,142)	(7,367)	(10,465)
Adjustments for:			
Depreciation, amortisation and impairment	107	3,139	3,958
Inventory write off	-	-	406
Environmental asset de-recognition	-	-	516
Effect of foreign exchange movements	360	(44)	933
Equity-settled share-based payments	396	86	547
Equity-settled creditors	-	-	2,532
Changes in provisions	-	(6)	(1,150)

Loss on sale of non-current assets	3	16	-
Finance income	(301)	(2)	(51)
Cash used in operating activities before working capital changes	(3,576)	(4,178)	(2,774)
Decrease in inventories	99	1,069	1,054
(Increase)/decrease in trade and other receivables	(2,666)	2,268	1,968
Increase in hedge deposits	(4,747)	-	-
Increase/(decrease) in trade and other payables	1,114	(4,215)	(2,424)
Net cash used in continuing operating activities	(9,776)	(5,056)	(2,176)
Net cash used in discontinued operating activities	(190)	(303)	(505)
Net cash used in operating activities	(9,966)	(5,359)	(2,681)
Cash flows from investing activities			
Additions to property, plant and equipment	(48,587)	(754)	(5,922)
Proceeds on sale of non-current assets	3	111	178
Net cash used in continuing investing activities	(48,584)	(643)	(5,744)
Net cash (used in)/from discontinued investing activities	-	3	(361)
Net cash used in investing activities	(48,584)	(640)	(6,105)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	-	6,654	119,630
Share issue expenses	-	(304)	(5,185)
Finance income	301	2	51
Net cash from continuing financing activities	301	6,352	114,496
Net cash used in discontinued financing activities	-	(55)	(2,727)
Net cash from financing activities	301	6,297	111,769
Net (decrease)/increase in cash and cash equivalents	(58,249)	298	102,983
Cash and cash equivalents at beginning of period	107,003	4,256	4,088
Exchange rate movement in cash and cash equivalents at beginning of period	(1,427)	(374)	(68)
Cash and cash equivalents at end of period	3 47,327	4,180	107,003

Notes to the condensed Group interim financial statements

For the six months ended 31 December 2014

(Unaudited)

Accounting Policies

Basis of preparation

Firestone Diamonds plc (the "Company") is a company domiciled in the United Kingdom and is quoted on the AIM market of the London Stock Exchange plc. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in diamond mining and exploration in southern Africa. The audited consolidated financial statements of the Group for the year ended 30 June 2014 are available upon request from the Company's registered office at The Triangle, 5-17 Hammersmith Grove, London, W6 0LG or at www.firestonediamonds.com.

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Statement of compliance

These condensed interim financial statements of the Group for the six months ended 31 December 2014 have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively IFRSs) as issued by the International Accounting Standards Board and as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in the Group's latest audited financial statements for the year ended 30 June 2014.

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 30 June 2014. The auditors' opinion on those statutory Annual Report and Accounts was unqualified. The auditor's report did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

The comparative figures presented are for the six months ended 31 December 2013 and the year ended 30 June 2014.

Change in presentation currency

The Group adopted the US Dollar as its presentation currency from the year ended 30 June 2014, which it considers more appropriately presents the financial performance of the Group as it develops into a mid-tier diamond producer. Consequently, the financial information for the six months ended 31 December 2013 is re-presented in the US Dollar. For the purposes of changing the Group's presentation currency,

the comparative figures for the six months ended 31 December 2013 were translated using the US\$:£ spot exchange rate on the last day of the period for items included in the statement of financial position and the average rate over the period for items in the statement of comprehensive income. Resulting exchange differences were taken to the foreign currency translation reserve.

Going concern

The Group currently has two mines, Liqhobong in Lesotho which recently commenced construction of its Mine Development Project, and the BK11 mine in Botswana which remains on care and maintenance whilst a formal disposal process is underway.

The Company secured funding of US\$222.4 million required to build and commission the Liqhobong Mine Development Project and fund the Group's ongoing working capital requirements. Funding was obtained via an equity raise of US\$110.0 million, a mezzanine debt facility of US\$30.0 million from the Company's two largest shareholders, being the Pacific Road Resources Funds, and Resource Capital Fund VI L.P., and a project finance facility provided by Absa Bank Limited ("ABSA") directly to Liqhobong Mining Development Company (Pty) Limited ("LMDC") of up to US\$82.4 million. Construction commenced at the end of June 2014 and is expected to take 24 months to complete. Once completed, the main treatment plant will be capable of processing 300,000 tonnes of ore per month with production expected to commence ramp up in the second half of 2016.

During 2013/14, the Board decided to either dispose of or joint venture the BK11 mine in Botswana. In line with this strategic focus, the Company delisted from the Botswana Stock Exchange and commenced a formal disposal process for its Botswana assets, which was announced on 14 August 2014.

The Directors have prepared cash flow forecasts for the Group on the basis that the final conditions precedent to drawdown of the abovementioned ABSA and mezzanine debt facilities will be met. The Directors are aware that various uncertainties might affect the validity of their forecasts. These uncertainties include currency risk, project risk and the risk of change in general market conditions. The Directors are monitoring the working capital requirements of the Group and Company on a regular basis to ensure that action will be taken at the appropriate time to ensure that they have the necessary capacity to deliver their plans for completing construction of the Liqhobong Mine Development Project.

The Directors are confident that they have raised sufficient cash and credit facilities to complete the Liqhobong Mine Development Project and satisfy the Group's other working capital requirements. Accordingly, the Directors continue to adopt the going concern basis of preparation for the financial statements.

1. Property, Plant and Equipment

	Mining property US\$'000	Plant and equipment US\$'000	Motor vehicles and other assets US\$'000	Total US\$'000
Cost				
At 1 January 2014	48,742	11,841	994	61,577
Additions	749	4,800	350	5,899
Disposals	-	-	(254)	(254)
Decommissioning and removal	-	(7,996)	-	(7,996)
Exchange difference	3,686	1,055	(25)	4,716
At 30 June 2014	53,177	9,700	1,065	63,942
Additions	1,636	48,669	125	50,430
Disposals	-	-	(11)	(11)
Exchange difference	(4,811)	(3,423)	(75)	(8,309)
At 31 December 2014	50,002	54,946	1,104	106,052
Accumulated depreciation				
At 1 January 2014	8,400	9,798	572	18,770
Charge for the period	559	1,353	67	1,979
Decommissioning and removal	-	(7,537)	-	(7,537)
Exchange difference	890	(251)	(7)	632
At 30 June 2014	9,849	3,363	632	13,844
Charge for the period	16	31	60	107

Disposals	-	-	(5)	(5)
Exchange difference	(869)	(298)	(39)	(1,206)
At 31 December 2014	8,996	3,096	648	12,740
Net book value at 31 December 2014	41,006	51,850	456	93,312
Net book value at 30 June 2014	43,328	6,337	433	50,098
Net book value at 1 January 2014	40,342	2,043	422	42,807

2. Cash and cash equivalents

	31.12.2014 Unaudited US\$'000	31.12.2013 Unaudited US\$'000	30.06.2014 Audited US\$'000
Cash and cash equivalents	47,327	4,180	107,003
Non-current assets held for sale	-	-	361
	47,327	4,180	107,364

Net cash and cash equivalents were represented by the following currencies:

	31.12.2014 Unaudited US\$'000	31.12.2013 Unaudited US\$'000	30.06.2014 Audited US\$'000
United States Dollar	14,770	702	56,203
British Pound Sterling	18,852	2,312	34,976
Lesotho Maloti	13,451	452	15,531
South African Rand	98	350	557
Botswana Pula	156	364	97
Total Cash and Cash Equivalents	47,327	4,180	107,364

The following significant exchange rates applied against the US Dollar during the period:

	6 months ended 31.12.2014 Unaudited		6 months ended 31.12.2013 Unaudited		Year ended 30.06.2014 Audited	
	Average rate	Balance sheet rate	Average rate	Balance sheet rate	Average rate	Balance sheet rate
South African Rand	10.9827	11.6017	10.0630	10.4877	10.3706	10.5784
Lesotho Maloti	10.9827	11.6017	10.0630	10.4877	10.3706	10.5784
Botswana Pula	8.9823	9.4197	8.4759	8.6460	8.6006	8.6941
British Pound Sterling	1.6258	1.5535	1.5839	1.6488	1.6247	1.7047

1. Share capital

	Number of shares			Nominal value of shares		
	31.12.2014 Unaudited '000	31.12.2013 Unaudited '000	30.06.2014 Audited '000	31.12.2014 Unaudited US\$'000	31.12.2013 Unaudited US\$'000	30.06.2014 Audited US\$'000
Allotted, called up and fully paid						
Ordinary shares						
Opening balance	308,993	546,852	546,852	3,474	8,358	8,358
Issued during the period	-	206,901	2,543,075	-	3,153	41,738
Share consolidation	-	-	(2,780,934)	-	-	-
Split to deferred type B shares	-	-	-	-	-	(46,622)
Closing balance	308,993	753,753	308,993	3,474	11,511	3,474
Deferred shares type A						
Opening balance	7,079,649	7,079,649	7,079,649	113,345	113,345	113,345
Split from ordinary shares	-	-	-	-	-	-
Closing balance	7,079,649	7,079,649	7,079,649	113,345	113,345	113,345
Deferred shares type B						
Opening balance	308,993	-	-	46,622	-	-
Split from ordinary shares	-	-	308,993	-	-	46,622
Closing balance	308,993	-	308,993	46,622	-	46,622

TOTAL	7,697,635	7,833,402	7,697,635	163,441	124,856	163,441
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2. Loss per share

The calculation of the basic loss per share from continuing operations is based upon the net loss after tax from continuing operations attributable to ordinary shareholders of US\$4.2 million (H1 2014: US\$6.1 million) and, taking into account the share consolidation, a weighted average number of shares in issue for the period of 308,992,814 (H1 2014: 73,344,785 - amended for the share consolidation). The calculation of the basic loss per share from discontinued operations is based upon the net loss after tax from discontinued operations attributable to ordinary shareholders of US\$0.3 million (H1 2014: US\$0.3 million) and a weighted average number of shares in issue for the period of 308,992,814 (H1 2014: 73,344,785 - amended for the share consolidation).

The diluted loss per share in H1 2015 and H1 2014 is the same as the basic loss per share as the potential ordinary shares to be issued have no dilutive effect.

3. Commitments and contingent liabilities

Capital Commitments

The Group had the following capital commitments in respect of the Lihobong Development Project as at 31 December 2014:

	31.12.2014	31.12.2013	30.06.2014
	Unaudited	Unaudited	Audited
	US\$'000	US\$'000	US\$'000
Residual Storage Facility	17,797	-	31,332
Earthworks and Civils	10,256	-	24,892
Main Treatment Plant	43,200	-	12,517
Power Line Project	8,679	-	-
Contracted	79,932	-	68,741

The total Project cost is estimated at US\$185.4 million and to date US\$50.4 million has been paid.

Other Commitments

The Group has the following total minimum lease payments under non-cancellable operating leases:

	31.12.2014	31.12.2013	30.06.2014
	Unaudited	Unaudited	Audited
	US\$'000	US\$'000	US\$'000
Operating leases which expire:			
Within one year	185	261	209
Two to five years	99	261	103
Over five years	35	-	-
Contracted	319	522	312

4. Hedge accounting

The Group classifies its forward currency contracts, which hedge highly probable forecast transactions, as cash flow hedges. Changes in fair value of the hedges are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the initial cost of the asset, in this case, the Lihobong Mine Development Project. During the period, the Group designated forward foreign currency contracts as cash flow hedges. The risk being hedged is the volatility in the South African Rand and US Dollar exchange rates affecting the total funding available for the Lihobong Mine Development Project. An amount of US\$2.6 million is recorded in other comprehensive income in respect of the intrinsic value of the contracts. An amount of US\$0.9 million was transferred to the initial cost of the Lihobong Mine Development Project during the period. The contracts were 100 per cent. effective as hedges.

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