

Armadale Capital Plc / Index: AIM / Epic: ACP / Sector: Investment Company

29 September 2023

**Armadale Capital Plc
(‘Armadale’ the ‘Company’ or the ‘Group’)
Interim Results**

Armadale, the AIM quoted investment company focused on natural resource projects in Africa, is pleased to announce its unaudited interim results for the six months ended 30 June 2023.

Highlights

During the half year Armadale has made further progress towards commercial production at the Mahenge Liandu Project in Tanzania.

- Armadale continue to advance the FEED study in preparation for obtaining project financing. This information will enhance the detail in the Definitive Feasibility Study.
- Armadale continued to collect environmental baseline data as is required for the compliance of the mining lease and to assist in the design and planning of the proposed mining operations. In addition, the base line data for temperature, pressure, wind, moon phase, humidity, solar radiation, rainfall and stream flow data assists the local community to have access to regional weather data for local planning requirements in the Mahenge region.
- Logistics routes for the product were assessed to determine the optimum methods to ensure the final product will enter the market at the desired price level.

The Group is continuing discussions with several potential financing partners regarding the debt and equity funding required for project development. The significantly improved market fundamentals for graphite concentrates has lead to increased interest from stakeholders capable of providing long-term project finance. Armadale continued its ongoing review of its quoted equity portfolio, where the Directors believe there are opportunities for capital gains, and made a number of acquisitions of quoted companies in the resources sector.

Armadale also continued to actively review other investment opportunities for mineral exploration in Africa.

During the period, a further £60,000 was spent on the project and the Company also expanded its portfolio of passively managed investments, spending £587,000 on three new holdings in listed resource companies. The portfolio performed well during the period, increasing in overall market value by £456,000 net. At 30 June 2023 the Company had cash of £300,000 (with and average monthly cash burn of about £20,000 including annual audit costs) and listed investments worth £1,593,000.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

**Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2023**

	Unaudited Six months ended	
	30 June 2023	30 June 2022
	£'000	£'000
Administrative expenses	(165)	(151)
Change in fair value of investments	456	(1)
Profit/(loss) before taxation	291	(152)

Profit/(loss) before taxation	291	(152)
Taxation	-	-
Profit/(loss) after taxation	291	(152)

Other comprehensive income/(loss)

Items that may be reclassified to profit or loss:

Exchange differences on translating foreign entities	24	(57)
Total comprehensive income/(loss) attributable to equity holders of the parent company	315	(209)

	Pence	Pence
Earnings/(loss) per share attributable to equity holders of the parent company (note 3)		(0.03)
<i>Basic and fully diluted</i>	0.05	

Consolidated Statement of Financial Position At 30 June 2023

	Unaudited		Audited
	30 June 2023	30 June 2022	31 December 2022
	£'000	£'000	£'000
Assets			
Non-Current assets			
Exploration and evaluation assets	5,550	5,010	5,483
Investments	1,593	79	562
	7,143	5,089	6,045
Current assets			
Trade and other receivables	137	60	150
Cash and cash equivalents	300	1,723	1,046
	437	1,783	1,196
Total assets	7,580	6,872	7,241
Equity and liabilities			
Equity			
Share capital	3,324	3,321	3,324
Share premium	25,153	25,076	25,153
Shares to be issued	286	286	286
Share option and warrant reserve	362	610	362
Foreign exchange reserve	342	9	318
Retained earnings	(21,988)	(22,473)	(22,279)
Total equity	7,479	6,829	7,164
Current liabilities			
Trade and other payables	101	43	77
Total equity and liabilities	7,580	6,872	7,241

Unaudited Consolidated Statement of Changes in Equity For the period ended 30 June 2023

	Share Capital £'000	Share Premium £'000	Shares to be Issued £'000	Share Option Reserve £'000	Foreign Exchange Reserve £'000	Retained Earnings £'000	Total £'000
Balance 1 January 2022	3,275	23,906	286	925	66	(22,636)	5,822
Loss for the year	-	-	-	-	-	(206)	(206)

Other comprehensive income	-	-	-	-	252	-	252
Total comprehensive income for the year	-	-	-	-	252	(206)	46
Issue of shares	49	1,247	-	-	-	-	1,296
Transfer on exercise and expiry of warrants	-	-	-	(563)	-	563	-
Total other movements	49	1,247	-	(563)	-	563	1,296
Balance 31 December 2022	3,324	25,153	286	362	318	(22,279)	7,164
Profit for the period	-	-	-	-	-	291	291
Other comprehensive income	-	-	-	-	24	-	24
Total comprehensive income for the period	-	-	-	-	24	291	315
Balance 30 June 2023	3,324	25,153	268	362	342	(21,988)	7,479

The following describes the nature and purpose of each reserve within shareholders' equity:

Reserve	Description and purpose
Share capital	Amount subscribed for share capital at nominal value
Share premium	Amount subscribed for share capital in excess of nominal value, net of allowable expenses
Shares to be issued historical acquisition	Share capital to be issued in connection with historical acquisition
Share option and warrant reserve	Cumulative charge recognised under IFRS2 in respect of share-based payment awards
Foreign exchange reserve	Gains/losses arising on re-translating the net assets of overseas operations into sterling
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income

Consolidated Statement of Cash Flows For the period ended 30 June 2023

	Unaudited Six Months ended		Audited Year ended
	30 June 2023	30 June 2022	31 December 2022
	£'000	£'000	£'000
Cash flows from operating activities			
Profit/(loss) before taxation	291	(152)	(206)
Change in fair value of investments	(456)	1	(102)
	(165)	(151)	(308)
Changes in working capital			
Receivables	13	30	(11)
Payables	24	(31)	12
Net cash used in operating activities	(128)	(152)	(307)
Cash flows from investing activities			
Expenditure on exploration and evaluation assets	(60)	(345)	(518)
Purchase of listed investments	(587)		(411)
Sale of listed investments	29	58	89
Net cash used in investing activities	(618)	(287)	(840)
Cash flows from financing activities			
Proceeds from share issues	-	1,276	1,307
Net cash from financing activities	-	1,276	1,307

Net (decrease)/increase in cash and cash equivalents	(746)	837	160
Cash and cash equivalents at 1 January 2023	1,046	886	886
Cash and cash equivalents at 30 June 2023	300	1,723	1,046

**Notes to the unaudited condensed consolidated financial statements
For the period ended 30 June 2023**

1. Incorporation and principal activities

Country of incorporation

Armadale Capital Plc was incorporated in the United Kingdom as a public limited company on 19 August 2005. Its registered office is 1 Arbrook Lane, Esher, Surrey, KT10 9EG.

Principal activities

The principal activity of the Group during the period was that of an investment company.

2. Accounting policies

2.1. Statement of compliance

The financial information for the six months ended 30 June 2022 and 30 June 2021 is unaudited and does not constitute the Group's statutory financial statements for those periods within the meaning of Section 434 of the Companies Act 2006. The comparative financial information for the year ended 31 December 2021 has been derived from the Annual Report and Accounts, which were approved by the Board of Directors on 20 May 2022 and delivered to the Registrar of Companies. The report of the Auditors on those accounts was unqualified and did not contain any statement under Section 498 of the Companies Act 2006.

This condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. This condensed set of financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2021 as described in those annual financial statements.

In respect of new financial reporting standards which came into effect for reporting periods beginning on 1 January 2022, the Directors consider that their implementation has no material effect on the financial information presented in this statement.

2.2. Going Concern

The financial statements have been prepared on the going concern basis as, in the opinion of the Directors, there is a reasonable expectation that the Group will continue in operational existence for the foreseeable future. The Company's ability to continue as a going concern and to achieve its long term strategy of developing its exploration projects is dependent on further fundraising. At 30 June 2023, the Group had cash of £300,000 and listed investments with a value of £1,593,000.

2.3. Exploration and evaluation assets

These assets are recorded at cost and are amortised over their expected useful life on a pro rata basis of actual production for the period to expected total production.

2.4. Investments

Investments are stated at fair value.

3. Earnings/(loss) per share

The calculation of earnings per share is based on a profit of £291,000 (2022, loss of £152,000) and on 587,529,895 (2022, 560,588,302) Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

For the period ended 30 June 2022, there was no difference between basic loss per share and diluted loss per share as the Group reported a loss.

****ENDS****

For further information, please visit the Company's website www.armadalecapitalplc.com, follow Armadale on Twitter @ArmadaleCapital or contact:

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Nomad and broker: Cavendish Capital Markets Limited Simon Hicks / Seamus Fricker	+44 (0)20 7220 0500

The Company also announces that its Nominated Adviser and Broker, finnCap Ltd, has now changed its name to Cavendish Capital Markets Limited following completion of its own corporate merger.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

More information can be found on the website www.armadalecapitalplc.com.

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