Gold production 20% up to 1.050kgs from 873kgs  
Revenue increase of 17% to US$4.44m from US$3.78m

Chairman's Statement

Introductions

The Company achieved the increases in its major areas of revenue and exploration activities during the six months. The major areas include the Chrome business, which contributed US$1.37 million, and the Energy business, which contributed US$0.23 million. The Chrome business, which includes the Renco Mine, continued to deliver strong performance with a gold production increase of 232kgs (2017: 196kgs) and a 16% increase in revenue. The Energy business, which includes the Motor floatation plant and fruition of exploration initiatives being undertaken group wide.

Performance Highlights

Interim Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For the six months ended 30 June 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 30 June 2018</th>
<th>Revised</th>
<th>US$000</th>
<th>US$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>12 763</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Cost of goods sold</td>
<td>10 777</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit / (loss)</td>
<td>2 260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Finance expenses</td>
<td>(20)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit / (loss)</td>
<td>2 240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to equity holders of the parent</td>
<td>12 763</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes To the Interim Consolidated Financial Statements

1. Basis of preparation

The interim consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

2. Estimates

Where the interim consolidated financial statements, management undertakes that estimates and assumptions used have been made in good faith and are consistent with the historical results, results, forecasts, budgets and experience. The actual results may differ from the foregoing, estimates and assumptions and are dependent on the outcome of the Group's ongoing operations and the results of future events. The Group may reassess and adjust its estimates and assumptions in the light of the interim consolidated financial statements, management forecasts and events as they transpire.

3. Significant accounting policies

In preparing the interim consolidated financial statements, management undertakes that estimates and assumptions used have been made in good faith and are consistent with the historical results, results, forecasts, budgets and experience. The actual results may differ from the foregoing, estimates and assumptions and are dependent on the outcome of the Group's ongoing operations and the results of future events. The Group may reassess and adjust its estimates and assumptions in the light of the interim consolidated financial statements, management forecasts and events as they transpire.

4. Interim Financial Statements

The interim financial statements are unaudited, draft financial statements of the Group prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

5. Number of shares in issue

As at 30 June 2018 and 31 December 2017 the number of ordinary shares in issue was 90,052,400 ordinary shares.

6. Capital expenditure

a) Total capital expenditure amounted to US$4.7 million in the period ended 30 June 2018 (30 June 2017: US$3.3 million).

b) All capital expenditure was capitalized and is nil at 30 June 2018 (30 June 2017: nil).

7. Trade and other payables

a) The Group is exposed to credit risk in respect of amounts owing to it, as the ability of those parties to perform their obligations is uncertain.

b) Accounts payables were US$4.5 million (30 June 2017: US$4.2 million).

8. Minimum redemption obligations

Approximately 2.0% per annum in respect of the capital redemption obligations, is due to mature in the period ended 30 June 2018 (30 June 2017: approximately 2.0%).

9. Interest bearing loans and borrowings

a) The Group has a long-term loan from Centametal AG at 12.5% p.a. due for repayment in December 2019.

b) The Group has a long-term loan from the African Development Bank at 12.8% p.a. due for repayment in 2020.

10. Dividends

Dividends declared in respect of the six months ended 30 June 2018 were US$500,000 (30 June 2017: US$1.5 million). The Group has declared a dividend of US$2.439 million in respect of the year ended 31 December 2017 (30 June 2017: nil).

11. Related party transactions

The Group has been exposed to interest and service charges in the period ended 30 June 2018 (30 June 2017: nil).

12. Statutory liabilities

The Group has statutory liabilities as at 30 June 2018 (30 June 2017: nil).

13. Accounts payable

During the period ended 30 June 2018 (30 June 2017: nil), the Group has engaged in transactions with related parties.

14. Share options

The Group has issued share options to employees during the period ended 30 June 2018 (30 June 2017: nil).

15. Interim dividend

A dividend of US$0.03 per share has been declared in respect of the six months ended 30 June 2018 (30 June 2017: nil). The dividend was paid on 12 September 2018 (30 June 2017: nil). The Group has declared a dividend of US$2.439 million in respect of the year ended 31 December 2017 (30 June 2017: nil).

16. Income tax

The Group has been exposed to income tax for the period ended 30 June 2018 (30 June 2017: nil). The Group has paid income tax of US$0.03 per share for the period ended 30 June 2018 (30 June 2017: nil). The Group has paid income tax of US$2.439 million in respect of the year ended 31 December 2017 (30 June 2017: nil).

17. Financial review

The interim financial results for the six months ended 30 June 2018 compare with the comparable six months ended 30 June 2017. The Group has incurred a loss for operations of US$2.37 million (2017: profit of US$0.24 million) and a loss for the period of US$2.37 million (2017: profit of US$0.24 million). The profit for the six months ended 30 June 2018 included amortization of intangible assets of US$0.03 million (2017: US$0.03 million).

18. Notes on consolidation

The interim financial statements for the six months ended 30 June 2018 have been prepared in accordance with International Financial Reporting Standards. The financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

19. Directors' responsibilities

The Board of Directors is responsible for preparing the Group's interim financial statements in accordance with the requirements of IAS 34 Interim Financial Reporting. The interim financial statements are unaudited draft financial statements of the Group prepared in accordance with IAS 34. The Board of Directors is responsible for the supervision of the Group's financial reporting process, and is responsible for preparing the interim financial statements in accordance with International Financial Reporting Standards. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.