

RNS Number : 9830J
Paternoster Resources PLC
16 September 2016

PATERNOSTER RESOURCES PLC
("Paternoster" or the "Company")

Unaudited interim results for the 6 months ended 30 June 2016

Paternoster Resources plc is pleased to announce its unaudited interim results for the six months ended 30 June 2016.

Key points

- Net asset value and net asset value per share up 15%
- Net asset value per share is 2.3 times the period end share price
- Total cash held is equivalent to 75% of market capitalization at period end
- Listed investments and cash represent 195% of market capitalization at period end
- Strategic steps to be implemented to address under-valuation

Chairman's review

The Company made profits after tax of £443,170 for the six months ended 30 June 2016 compared to £274,270 for the same period in 2015. Paternoster's investment portfolio continues to make good progress with net assets at 30 June 2016 increasing by 15% to £3,393,584 or 0.37p per share, compared to £2,948,406 at 31 December 2015. The majority of the portfolio comprises listed investments and cash.

Nicholas Lee, Chairman of Paternoster, commented:

"The Company's investment portfolio continues to make very good progress, and we have taken the opportunity during the first half of 2016 to realise some of the very significant gains made by our investments. This demonstrates that not only can we achieve good investment returns but that we can also realise these returns. This performance, however, is not being reflected in our share price and we are therefore now in the process of implementing certain strategic steps to address this issue."

The key unaudited performance indicators are set out below.

COMPANY STATISTICS	30 June 2016	31 December 2015	Change %
Net asset value	£3,393,584	£2,948,406	+15%
Net asset value - fully diluted per share	0.368p	0.321p	+15%
Closing share price	0.160p	0.185p	-14%
Share price discount to net asset value	(57%)	(42%)	-15%
Market capitalisation	£1,477,000	£1,707,000	-14%

The Company's principal investments are summarised below:

Category	Principal investments	Cost or valuation (£)
Unlisted	Bison Energy Services Limited, Andiamo Exploration Limited, MX Oil plc and Elephant Oil Limited	482,221
Listed	Metal Tiger plc, MX Oil plc, Plutus PowerGen plc, Shumba Coal Limited and New World Oil and Gas plc	1,781,187
Investment portfolio		2,263,408
Cash resources		1,104,468
Total		3,367,876

Since 31 December 2015, the Company's net asset value has increased by 15%, principally as a result of a significant increase in the Metal Tiger plc ("Metal Tiger") share price and good performance from its other investments including Plutus PowerGen plc ("Plutus PowerGen"). The Company has also realised some substantial profits by selling part of its shareholding in Metal Tiger and the shares in Plutus PowerGen that were held under option. Both have contributed significantly to the Company's cash resources. The convertible loan notes ("CULs") held in Alecto Minerals plc ("Alecto") were also converted and the company's shares are continuing to perform well.

Recent developments with regard to certain of the Company's investments are described below:

New World Oil and Gas plc

The company entered into a non-binding agreement to acquire Big Sofa Limited which operates in the high growth area of video analytics. As this acquisition would be classified as a reverse takeover, the company's shares have been suspended pending the publication of an admission document or a decision not to proceed. The company is continuing to make good progress with this possible acquisition and the board continues to believe that this acquisition is an attractive proposition for shareholders.

Metal Tiger plc

Since 31 December 2015, the company's share price has increased very significantly and Paternoster has sold over 15 million shares in Metal Tiger at an average price of 4.2 pence per share for a total consideration of over £650,000 before expenses. This represents a 4.6 times return on Paternoster's investment in Metal Tiger. Paternoster continues to retain a holding of Metal Tiger shares, although this is now below the 3% disclosure threshold. During the year Metal Tiger continued to make progress in a number of its business areas but in particular its joint venture with MOD Resources in Botswana, focused on copper and silver, continues to look increasingly attractive.

MX Oil plc

The Aje Field, part of MX Oil's indirect investment in OML 113 in Nigeria, has now commenced production. In Mexico, the company had agreed to assign three of the four licences it had been awarded, to its local partner, whilst retaining a 66% share in the fourth licence, subject to the satisfactory outcome of a Competent Person's Report ("CPR"). Due to certain funding issues in Mexico, this assignment could not take place. Furthermore, the outcome of the CPR was unsatisfactory so the company decided not to proceed with the fourth licence. The company still believes that Mexico represents an attractive hydrocarbon region and is actively looking at other opportunities.

Plutus PowerGen plc

Since 31 December 2015, the option held by certain members of the company's management team over 20 million Plutus PowerGen shares held by Paternoster was exercised in full at a price of 0.75 pence per share, resulting in the Company realising £150,000 or a 3 times multiple on its original investment. During the year, the Plutus PowerGen share price has continued to recover.

In July 2016, the company announced that it had received planning permission for two 20MW flexible stand-by power generation sites in Ipswich. It is expected that power generation from these sites will commence in 2017. The company also has three further planning permission applications for sites capable of producing 60MW in the planning process and applications for two additional sites are currently being prepared for submission.

Alecto Minerals plc

On 5 April 2016, Paternoster decided to convert the US\$495,365 of CULs in Alecto at a price of 0.08 pence per share into 434 million shares in the company. Alecto is continuing to progress the putting in place of the necessary financing in order to bring the 400,000 tonnes per annum open-pit Matala Gold Project in south-central Zambia into low-cost production in the near to mid-term. In May 2016, the company raised around £665,000 by way of a placing and is also at an advanced stage with regard to securing vendor financing with regard to plant and infrastructure costs.

In August 2016, the company announced that it had signed a non-binding letter of intent with Ashanti Gold Corp. ("Ashanti"), a Toronto Venture Exchange listed public company for Ashanti to earn an interest in the company's Kossanto East Gold Project in western Mali, which has a JORC-Code compliant mineral resource estimate of 247,000 oz Au and significant further upside potential.

N Lee
Chairman
16 September 2016

For more information, please contact:

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	Unaudited 6 months ended 30 June 2016	Unaudited 6 months ended 30 June 2015	Audited Year ended 31 December 2015
	£	£	£
Consultancy income	–	3,000	2,000
Net gains/(losses) on investments	666,762	391,522	(23,162)
Investment income	11,437	2,806	6,084
Total income	678,199	397,328	(15,078)
Administration expenses	(234,617)	(115,590)	(293,795)
Profit/(loss) before taxation	443,582	274,240	(308,873)
Taxation	–	–	–
Profit/(loss) for the period and total comprehensive income	443,582	274,240	(308,873)
Basic earnings/(loss) per share			
Continuing and total operations	0.048p	0.041p	(0.044p)
Fully diluted earnings/(loss) per share			
Continuing and total operations	0.046p	0.038p	(0.044p)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	Called up share capital	Share premium account	Other reserves	Retained deficit	Total equity
	£	£	£	£	£
Balance at 1 January 2015	3,925,796	2,901,507	104,412	(4,172,931)	2,758,784
Loss for the year and total comprehensive expense	–	–	–	(308,873)	(308,873)
Share issue	250,000	250,000	–	–	500,000
Share issue costs	–	(16,500)	–	–	(16,500)
Share based payment costs	–	–	14,995	–	14,995
Transactions with owners	250,000	233,500	14,995	–	498,495
Balance at 31 December 2015	4,175,796	3,135,007	119,407	(4,481,804)	2,948,406
Profit for the period and total comprehensive income	–	–	–	443,582	443,582
Share based payments costs	–	–	1,596	–	1,596
Transactions with owners	–	–	1,596	–	1,596
Balance at 30 June 2016	4,175,796	3,135,007	121,003	(4,038,222)	3,393,584

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Unaudited 6 months ended 30 June 2016 £	Unaudited 6 months ended 30 June 2015 £	Audited Year ended 31 December 2015 £
ASSETS			
Non-current assets			
Available for sale investments	2,263,408	2,683,283	2,402,659
Total non-current assets	2,263,408	2,683,283	2,402,659
Current assets			
Trade and other receivables	120,348	176,723	167,846
Cash and cash equivalents	1,104,468	228,650	464,570
Total current assets	1,224,816	405,373	632,416
Total assets	3,488,224	3,088,656	3,035,075
LIABILITIES			
Current liabilities			
Trade and other payables	94,640	48,134	86,669
Total current liabilities	94,640	48,134	86,669
Net assets	3,393,584	3,040,522	2,948,406
EQUITY			
Share capital	4,175,796	3,925,796	4,175,796
Share premium account	3,135,007	2,901,507	3,135,007
Capital redemption reserve	27,000	27,000	27,000
Share option reserve	94,003	84,910	92,407
Retained losses	(4,038,222)	(3,898,691)	(4,481,804)
Total equity	3,393,584	3,040,522	2,948,406

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	Unaudited 6 months ended 30 June 2016 £	Unaudited 6 months ended 30 June 2015 £	Audited Year ended 31 December 2015 £
Cash flows from operating activities			
Profit/(loss) before tax	443,582	274,240	(308,873)
Net (gains)/losses on investments	(666,762)	(391,522)	23,162
Share based payment expense	1,596	7,498	14,995
Investment income	(11,437)	(2,806)	(6,084)
	(233,021)	(112,590)	(276,800)
(Increase)/decrease in trade and other receivables	47,497	(4,097)	4,780
(Decrease)/increase in trade and other payables	7,971	(16,563)	21,972
Net cash used by operating activities	(177,553)	(133,250)	(250,048)
Cash flows from investing activities			
Purchase of investments	(64,593)	–	(463,828)
Proceeds from disposal of investments	870,607	–	529,768
Investment income received	11,437	2,806	6,084
Net cash from/(used in) investing activities	817,451	2,806	72,024
Financing activities			
Gross proceeds of share issues	–	–	300,000
Share issue expenses	–	–	(16,500)
Net cash from financing activities	–	–	283,500
Net increase/(decrease) in cash and cash equivalents	639,898	(130,444)	105,476
Cash and cash equivalents at beginning of period	464,570	359,094	359,094
Cash and cash equivalents at end of period	1,104,468	228,650	464,570

NOTES TO THE INTERIM REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2015, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2015. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. The calculation of basic earnings per share is based on the profit for the period of £443,582 (2015: Loss £274,240) and a weighted average number of ordinary shares of 922,857,956 (2015: 672,857,956). The fully diluted earnings per share for the 6 months to 30 June 2016 is based on a weighted average number of ordinary shares of 964,857,956 (2015: 714,857,956).
3. No interim dividend will be paid.
4. Copies of the interim report can be obtained from: The Company Secretary, Paternoster Resources plc, 30, Percy Street, London W1T 2DB and are available to view and download from the Company's website : www.paternosterresources.com

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