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Paternoster Resources PLC  
09 September 2014

**PATERNOSTER RESOURCES PLC**  
**"Paternoster" or the "Company"**

**Unaudited interim results for the 6 months ended 30 June 2014**

Paternoster is pleased to announce its unaudited interim results for the six months ended 30 June 2014.

**Chairman's review**

Paternoster has had an active first six months of the year making significant progress with a number of its investments. Net assets as at 30 June 2014 were £2,470,132 or 0.40p per share, slightly down compared to the year end (31 December 2013: £2,644,268 or 0.43p per share). However, this figure does not include the impact of recent developments at MX Oil plc and Plutus Powergen plc such that if these investments were included at current valuation, the Company's net asset value would be higher at £2.8 million or 0.48p per share compared to the current share price of 0.28p.

During the period under review, there have been developments with a number of the company's investments:

Andiamo Exploration Limited continues to progress its Yacob Dewar deposit in Eritrea with more results from the company's trenching programme expected shortly. Recent funding of \$1.5 million has been provided by Ortac Resources Limited, an exploration and mine development company listed on AIM. The company is confident that it can develop a commercial gold-copper project.

Shumba Coal Limited, continues to progress its feasibility studies and full environmental impact assessment in connection with its 1 billion tonnes JORC resource compliant coal asset. Recently completed mine preliminary feasibility studies have indicated enough mine reserves to support over 30 years of low cost mining to supply a 300MW power station. In the short term, it expects to be able to start supplying coal to the Morupule area by 2016. It is also looking at the possibility of a power plant being constructed on its site given the high demand for power in the region, and also at exporting its coal - the Morupule mine is already exporting coal to Europe via Durban and Maputo. The company has now achieved its listing on the Stock Exchange of Mauritius and it has also recently successfully raised \$3.1 million from various institutional investors including some major Mauritian investors.

North American Petroleum plc raised \$725,000 in February 2014 and has since then acquired additional acreage through acquiring working interests in additional properties. The company currently has a net acreage of 1,523 acres and 47 wells that will increase further once the acquisition of its interest in the Shoats Creek field is completed.

MX Oil (formerly Astar Minerals plc) has made very good progress in pursuing its strategy of focusing on oil and gas opportunities in Mexico. In particular, it has raised over £3 million this year and has entered into a joint venture with Geo Estratos, an established Mexican oil and gas services company. The company and its JV partner are currently discussing production sharing agreements for three possible oil blocks with Pemex, the national oil company. The share price of MX Oil has increased by 400% since the placing in March 2014 when the company adopted this revised focus and the board was strengthened. Paternoster currently holds 8.6 million shares in MX Oil, worth approximately £430,000.

Metal Tiger plc (formerly Brady Exploration plc) raised circa £400,000 of new funds and is now focused on investment opportunities in the mining sector in the South East Asia region. Metal Tiger has recently entered into a memorandum of understanding to enable it to access various gold prospective properties in Thailand. In terms of Paternoster's investment, the Company decided to convert part of its loan to Metal Tiger plc into new shares at the recent placing price of 0.5p - the shares are currently trading at a 36% premium to this price. The Company currently holds 27.0 million shares, now worth approximately £184,000.

Plutus PowerGen plc (formerly Plutus Resources plc) has now completed the acquisition of Plutus Energy Limited, a company established for the purpose of generating power from flexible stand-by power generation farms and generating revenues through the sale of this power to large energy supply companies during periods of peak electricity demand or grid instability. It has also raised £800,000 to fund the working capital requirements of the enlarged group. As part of this transaction, Paternoster converted its £100,000 loan note plus accrued interest into new shares on the basis of 0.25p per share. The company's current share price is 0.6p, representing some 2.4 times the level of our original investment". Paternoster currently holds 94.3 million shares, now worth approximately £570,000.

Progress continues to be made with Bison Energy Services Limited in preparing the company for sale or an injection of new capital with which to develop its frac sand assets.

In addition, the Company holds a significant cash balance and a portfolio of interesting listed, liquid investments in the natural resources sector that have scope for growth.

In summary, during this period, your Company has made very substantial progress with a number of its assets and continues to build an interesting portfolio of investments.

The key performance indicators are set out below.

COMPANY STATISTICS	30 June 2014	31 December 2013	Change %
Net asset value	£2,470,132	£2,644,268	-7%
Net asset value - fully diluted per share	0.40p	0.43p	-7%

Closing share price	0.27p	0.34p	-21%
Share price premium/(discount) to net asset value	(32%)	(21%)	-52%
Market capitalisation	£1,560,000	£1,965,000	-21%

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Unaudited 6 months ended 30 June 2014 £	*Restated Unaudited 6 months ended 30 June 2013 £	*Restated Audited Year ended 31 December 2013 £
Net losses/(gains) on investments	(115,779)	27,801	164,301
Investment income	51,895	4,752	74,110
Total income	(63,884)	32,553	238,411
Administration expenses	(114,397)	(127,831)	(259,555)
<b>Loss before taxation</b>	<b>(178,281)</b>	<b>(95,278)</b>	<b>(21,144)</b>
Taxation	–	–	–
<b>Loss for the period and total comprehensive income</b>	<b>(178,281)</b>	<b>(95,278)</b>	<b>(21,144)</b>
<b>Basic loss per share</b>			
Continuing and total operations	(0.031p)	(0.016p)	(0.004p)
<b>Diluted loss per share</b>			
Continuing and total operations	(0.031p)	(0.016p)	(0.004p)

\*The comparative figures have been restated to reflect the Company as a single entity, as detailed in note 2.





**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
<b>Balance at 1 January 2013</b>	3,830,796	2,774,849	70,109	(4,031,415)	2,644,339
Loss for the year and total comprehensive expense	–	–	–	(21,144)	(21,144)
Share based payment costs	–	–	21,073	–	21,073
Transactions with owners	–	–	21,073	–	21,073
<b>Balance at 31 December 2013</b>	3,830,796	2,774,849	91,182	(4,052,559)	2,644,268
Loss for the period and total comprehensive expense	–	–	–	(178,281)	(178,281)
Share based payments costs	–	–	4,145	–	4,145
Transactions with owners	–	–	4,145	–	4,145
<b>Balance at 30 June 2014</b>	3,830,796	2,774,849	95,327	(4,230,840)	2,470,132





**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Unaudited 6 months ended 30 June 2014 £	*Restated Unaudited 6 months ended 30 June 2013 £	*Restated Audited Year ended 31 December 2013 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available for sale investments	1,924,005	2,102,679	2,028,984
<b>Total non-current assets</b>	<b>1,924,005</b>	<b>2,102,679</b>	<b>2,028,984</b>
<b>Current assets</b>			
Trade and other receivables	288,764	31,590	245,481
Cash and cash equivalents	322,794	450,358	400,578
<b>Total current assets</b>	<b>611,558</b>	<b>481,948</b>	<b>1,496,175</b>
<b>Total assets</b>	<b>2,535,563</b>	<b>2,584,627</b>	<b>2,675,043</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	65,431	28,542	30,775
<b>Total current liabilities</b>	<b>65,431</b>	<b>28,542</b>	<b>30,775</b>
<b>Net assets</b>	<b>2,470,132</b>	<b>2,556,085</b>	<b>2,644,268</b>
<b>EQUITY</b>			
Share capital	3,830,796	3,830,796	3,830,796
Share premium account	2,774,849	2,774,849	2,774,849
Capital redemption reserve	27,000	27,000	27,000
Share option reserve	68,327	50,133	64,182

Retained losses	(4,230,840)	(4,126,693)	(4,052,559)
<b>Total equity</b>	<b>2,470,132</b>	<b>2,556,085</b>	<b>2,644,268</b>

\*The comparative figures have been restated to reflect the Company as a single entity, as detailed in note 2.



**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Unaudited 6 months ended 30 June 2014 £	*Restated Unaudited 6 months ended 30 June 2013 £	*Restated Audited Year ended 31 December 2013 £
<b>Cash flows from operating activities</b>			
Loss before tax	(178,281)	(95,278)	(21,144)
Net losses/(gains) on investments	115,779	(27,801)	(164,301)
Share based payment expense	4,145	7,024	21,073
Investment income	(51,895)	(4,752)	(74,110)
Decrease/(increase) in trade and other receivables	4,275	8,836	(137,731)
Increase/(decrease) in trade and other payables	34,656	(8,430)	(6,197)
<b>Net cash used by operating activities</b>	<b>(71,321)</b>	<b>(120,301)</b>	<b>(382,410)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(147,434)	(1,052,806)	(892,806)
Proceeds from disposal of investments	136,634	177,536	227,731
Investment income received	4,337	4,752	6,886
<b>Net cash used in investing activities</b>	<b>(6,463)</b>	<b>(870,518)</b>	<b>(658,189)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(77,784)</b>	<b>(990,819)</b>	<b>(1,040,599)</b>
Cash and cash equivalents at beginning of period	400,578	1,441,177	1,441,177
<b>Cash and cash equivalents at end of period</b>	<b>322,794</b>	<b>450,358</b>	<b>400,578</b>

\*The comparative figures have been restated to reflect the Company as a single entity, as detailed in note 2.



## 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 2013, 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 2013. 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 financial statements for the year ended 31 December 2013 were prepared on a consolidated basis. In January 2014, the Company's sole subsidiary Viridas GmbH was dissolved and this interim statement has therefore been prepared on an unconsolidated basis; so the comparative financial information relating to the 6 months to 30 June 2013 and the year ended 31 December 2013 have been restated to reflect the Company as a single entity.
3. The calculation of basic earnings per share is based on the loss for the period of £178,281 (2013: £94,770) and a weighted average number of ordinary shares of 577,857,956 (2013: 577,857,956). The fully diluted loss per share is based on the same weighted average number of ordinary shares as the exercise of options would be anti-dilutive.
4. No interim dividend will be paid.
5. 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](http://www.paternosterresources.com)

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