21 September 2018

Pathfinder Minerals Plc

("Pathfinder", the "Company" or the "Group")

Half-year results for the six months ended 30 June 2018

Chairman's statement

New leadership

Pathfinder announced during August 2018 a number of changes to the composition of the board and management of the Company. Notwithstanding the considerable efforts made to date to preserve the prospects of a resolution, we believe fresh leadership was necessary to draw a line under the events of the past and optimise the prospects of enabling the Company's shareholders to realise value from the mining licence in Mozambique of which we are pursuing the recovery (the "Licence").

During August and September 2018, Simon Farrell and Scott Richardson Brown were appointed as Non-Executive Co-Chairman and Executive Director, respectively; Blair Sergeant joined the management team in an operational role; Nicholas Trew and Robert Easby stepped down from the board from their positions as Chief Executive Officer and Finance Director, respectively; and the Company terminated the services of its regional representative in Mozambique, removing associated contingent liabilities. We thank them for their efforts and perseverance over recent years.

We believe the team has the relevant skills to achieve a resolution and, if successful, thereafter to take the asset forward. In particular, Simon Farrell is a mining entrepreneur who has held a number of senior management and board positions, principally within the natural resources sector, over the past 30 years. Of the greatest relevance to Pathfinder is Simon's 13 years as a non-executive director of Kenmare Resources plc. During his period of directorship until 2013, Kenmare Resources plc transitioned from exploration to commercial production of the same mineral sand products from its Moma mine as those which Pathfinder is seeking to mine along the same coastline of northern Mozambique.

Scott Richardson Brown is a Fellow of the Institute of Chartered Accountants in England and Wales with significant experience of working with AIM, FTSE 250 and FTSE 100 companies. Beginning his career at Coopers & Lybrand (later PricewaterhouseCoopers) in the banking and capital markets division, he later became a partner in the corporate broking and corporate finance division of Oriel Securities Limited covering a range of sectors. Since leaving Oriel Securities Limited, Scott has held a number of directorships of AIM-quoted companies operating within the natural resources sector and has been involved in a number of listed turnaround and restructuring situations where he has had to stabilise and rebuild companies. He brings refreshed focus to Pathfinder's management.

Blair Sergeant is an experienced mining financier and company director. He was the Founding Managing Director of Lemur Resources Limited, an ASX-listed Madagascar coal exploration and development company, and was the Finance Director of AIM-listed Coal of Africa Limited from 2008 until 2011, where he worked alongside Simon Farrell.

The new team has been in situ for a month and is in the early stages of reviewing potential solutions which it is hoped will include a fresh start in discussions towards a negotiated settlement.

Review of the first half

In the early part of 2018, Pathfinder reported that it continued to pursue a dual-track strategy to recover control of the Licence either through the legal process or by way of a negotiated settlement. The Company subsequently reported that the prospects of a negotiated settlement had stalled.

A general meeting of the Company was requisitioned on 4 April 2018 proposing changes to the composition of the board of directors.

On 9 May 2018, Pathfinder announced it had raised £250,000 in order to provide additional working capital; along with certain prospective management changes. The requirement for the Company to proceed with the abovementioned requisitioned general meeting was withdrawn on the same date. The Company suffered significant expense associated with the requisitioned general meeting.

On 22 May 2018, the Supreme Court in Mozambique notified the Company of its request for final written submissions in relation to Pathfinder's application for recognition of the 2012 English High Court ruling in its favour. The Company complied and lodged final written submissions.

Financial results and current financial position

Pathfinder raised £250,000 on 9 May 2018 via a subscription for 25,000,000 ordinary shares of 0.1p ("Ordinary Shares") each in the Company at a price of 1p per share. The proceeds provided additional working capital.

Notwithstanding the expenses associated with maintaining a stock market listing, the directors are minimising cash outflow. With effect from August 2018, directors and management's compensation has been reduced to a fixed sum of £25,000 per individual. Payment of 100 per cent of the compensation will be deferred until the Company can reasonably afford to make these payments without materially adversely affecting its cash position. Alternatively, each individual may elect to convert their accrued deferred compensation into Ordinary Shares at any time when the Company is in an open period at the lower of the prevailing price of the Company's Ordinary Shares or 1.5p.

The financial statements of the Pathfinder Group for the six months ended 30 June 2018 follow later in this report. The Income Statement shows an increased loss of £392,000 (H1 2017: £275,000), of which £51,000 relates to directors' fees and pension contributions that are recorded as a liability in 'Trade and other payables' but actual payments of which have been deferred as described in 'Note 2' to these accounts. Approximately £77,000 of the loss relates to expenses incurred in connection with the requisitioned general meeting of the Company during the period.

The Group's Statement of Financial Position shows a net assets position (excluding deferred salaries and related benefits as described in 'Note 2' to these accounts), of £132,000 (31 December 2017: £223,000). The Company had cash of £173,000 at 30 June 2018 (31 December 2017: £248,000). The directors anticipate the Company will be required to raise further funding in order to continue to meet its working capital requirements.

Sir Henry Bellingham	Simon Farrell
Non-Executive Co-Chairman	Non-Executive Co-Chairman
20 September 2018	

Consolidated Income Statement

	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
	£ '000	£ '000	£ '000
Revenue	**-**	-	-
Administrative expenses	**(392)**	(275)	(615)
Operating loss	**(392)**	(275)	(615)
Finance income	**-**	-	-
Loss on ordinary activities before taxation	**(392)**	(275)	(615)
Taxation	**-**	-	-
Comprehensive loss for the period	**(392)**	(275)	(615)
Loss per share	**(0.15p)**	(0.16p)	(0.33p)

Statement of Consolidated Financial Position

	Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017
	£ '000	£ '000	£ '000
Assets			
Non-current assets			
Property, plant and equipment	-	1	-
Current assets			
Trade and other receivables	**50**	52	56
Cash and cash equivalents	**173**	51	248
	223	103	304
Total assets	**223**	104	304
Equity			
Share capital - issued and fully paid	**18,441**	18,365	18,416
Share premium	**12,222**	11,610	11,997
Retained loss	**(30,858)**	(30,126)	(30,466)
Total equity	**(195)**	(151)	(53)
Liabilities			
Current liabilities			
Trade and other payables	**418**	255	357
Total liabilities	**418**	255	357
Total equity and liabilities	**223**	104	304

Consolidated Statement of Changes in Shareholders' Equity

	Share Capital	Share Premium	Retained Earnings	Total
	£'000	£'000	£'000	£'000
1 January 2017	18,345	11,445	(29,851)	(61)
Loss for the period	-	-	(275)	(275)
Share issue	20	165	-	185
30 June 2017	**18,365**	**11,610**	**(30,126)**	**(151)**
1 January 2017	18,345	11,445	(29,851)	(61)
Loss for the year	-	-	(615)	(615)
Share issue	71	552	-	623
31 December 2017	**18,416**	**11,997**	**(30,466)**	**(53)**
1 January 2018	18,416	11,997	(30,466)	(53)
Loss for the period	-	-	(392)	(392)
Share issue	25	225	-	250
30 June 2018	**18,441**	**12,222**	**(30,858)**	**(195)**

Consolidated Cash Flow Statement

	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
	£ '000	£ '000	£ '000
Cash flows from operating activities			
Operating loss	**(392)**	(275)	(615)
Depreciation charges	**-**	-	1
(Increase) decrease in trade and other receivables	**6**	13	9
Increase (decrease) in trade and other payables	**61**	(6)	96
Cash absorbed by operations	**(325)**	(268)	(509)
Cash flows from investing activities			
Purchase of tangible fixed assets	**-**	-	-
Share issue, net of expenses	**250**	185	623
Net movement in cash	**(75)**	(83)	114
Cash at the beginning of the period	**248**	134	134
Cash at the end of the period	**173**	51	248

Notes

1. Basis of Preparation

These financial statements have been prepared under the historical cost convention and on a going concern basis (see note 2 below); and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union.

The financial information for the period ended 30 June 2018 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory financial statements for the year ended 31 December 2017. The figures for the year ended 31 December 2017 have been extracted from these financial statements, which have been delivered to the Registrar of Companies and which contain an unqualified audit report.

The financial information contained in this document does not constitute statutory financial statements as defined by Section 435 of the Companies Act 2006. In the opinion of the directors, the financial information for this period fairly presents the financial position, result of operations and cash flows for the period.

This Interim Financial Report was approved by the board of directors on 20 September 2018.

2. Going Concern

As explained in the 2017 annual report, the availability of funds to continue to finance the Company's activities has a direct impact on the ability of the Company to continue to trade as a going concern. The board has concluded, as set out in the Chairman's Statement in the Annual Report, that it currently believes that it has sufficient access to resources to see through its strategy to recover the assets improperly expropriated from it.

The board has therefore continued to adopt a going concern basis for the preparation of these financial statements.

Included within the figure for Trade and other payables are amounts due to current and former directors in respect of deferred salaries and related benefits, totalling £327,000. The individuals have agreed to defer these amounts until such time as the Company can reasonably afford to make these payments without materially adversely effecting its cash position which is not expected to be until the Company raises at least £2m in any future further financing.

3. Segmental Analysis

The development of the Group's mining interest in Mozambique comprises the whole of the Group's activity. The Group has one activity only. Of the Group's administrative expenses, £60,000 (2017 – £17,000) was spent in Mozambique. Since, in the interest of accounting prudence, full provision has been made against cost of its Mozambique assets, the whole of the value of the Group's net assets is attributable to its UK assets and liabilities (also the case at 30 June 2017).

4. Contingent Liabilities

As part of the agreement for the purchase of the shares in its subsidiary, Companhia Mineira de Naburi SARL, the Company agreed to pay the vendors a further sum of $9,900,000 if, following further exploration and appraisal, an agreement is reached for the construction of a facility for the processing of ore extracted from the Naburi mineral sands deposit. Similarly, as part of its agreement for the purchase of the whole of the issued share capital of Sociedade Geral de Mineracao de Moçambique SARL, Companhia Mineira de Naburi SARL agreed to pay the vendors, BHP Billiton, a further sum of $9,500,000 if, following further exploration and appraisal, an agreement is reached for the construction of a facility for the processing of ore extracted from the Moebase mineral sands deposit.

Enquiries:

Pathfinder Minerals Plc
Scott Richardson Brown, Executive Director
Tel. +44 (0)20 3440 7775

Strand Hanson Limited (Nominated & Financial Adviser and Broker)
James Spinney / Ritchie Balmer / Jack Botros
Tel. +44 (0)20 7409 3494

Vigo Communications (Public Relations)
Ben Simons or Kate Rogucheva
Tel. +44 (0)20 7390 0234
Email. pathfinderminerals@vigocomms.com

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.