

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

1 October 2024

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 2024.

During the period under review Armadale diversified its investments to include a high grade silver project in Idaho by investing in an option over a 51% interest in the Canyon Silver Project in three stages. While the FEED study has been on hold, Armadale has continued to progress baseline environmental monitoring and explore potential funding options.

During the half, the neighbouring graphite project in Tanzania owned by Black Rock Mining Limited secured material funding which the Company believes may prompt further interest in, and facilitate ongoing discussions with regard to, Armadale's efforts to secure funding for the Mahenge Graphite Project.

Highlights

For the Canyon Silver Project:

To date the work carried out to date at the project since re-commencing work

- Widening of the first 100 feet of the Canyon Silver No 2 Tunnel from 4 x 5 feet to 8 x 8 feet to allow passage of essential equipment. This tunnel was driven totally by hand in 1892 to intersect the Formosa Vein that outcropped barely 100 feet above it. This widening included some timbering and a large amount of barring down and rock-bolting to make it safe and usable for all activities. A Slusher station, Geophysical station, Diamond Drilling pad and small trackless operation can now be safely and effectively performed here.
- Recommissioning of the 1905 winze in the number 2 tunnel is now successfully done. All new timbering and steel ladders have been installed. This winze bottom was cleaned by hand of 35 feet of accumulated rock and debris that had built up since 1930. The winze is now completely equipped, safe and fully useable for allowing safe passage down into the No 3 Level 'parallel portal tunnel'. Due to the winze being sunk on the Formosa vein, that vein is in full accessible view all the way down to the 100 ft between No 2 and 3 Levels.
- Outside the No 3 Portal, the original Change Room building and Compressor and Generator Room were completely rebuilt. However, electrical and plumbing infrastructure will only be installed when continuous year-round operations are certain and in progress.
- The Original CSM 'outside' main haulage and entry road has now been re-established, being rebuilt and graded from No 3 Portal down to the base of the property, when the required permit is approved a 30 tonne bridge will be installed to provide a one way access route to and from the mine.

For the Mahenge Graphite Project

FOR THE MAHENGE GRAPHITE PROJECT

- 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.
- The Group is continuing discussions with several potential financing partners regarding the funding required for project development. The significantly improved market fundamentals for graphite concentrates has made a positive impact on the interest from stakeholders capable of providing long-term project finance. Armadale continued its ongoing review of its quoted investment portfolio, where the Directors believe there are opportunities for capital gains and have therefore made a number of additions to the portfolio in the period.

At 30 June 2024, the Company had cash of £66,000 (with an average monthly cash burn of about £25,000 including annual audit costs) and investments worth £776,000.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Condensed Consolidated Statement of Comprehensive Income For the six months ended 30 June 2024

	Unaudited Six months ended	
	30 June 2024 £'000	30 June 2023 £'000
Administrative expenses	(152)	(165)
Change in fair value of investments		456
	(510)	
Profit/(loss) before taxation	(662)	291
Taxation	-	-
Profit/(loss) after taxation	(662)	291
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign entities	18	24
Total comprehensive income/(loss) attributable to equity holders of the parent company	(644)	315

	Pence	Pence
Earnings/(loss) per share attributable to equity holders of the parent company (note 3)		
<i>Basic and fully diluted</i>	0	0.05

Consolidated Statement of Financial Position At 30 June 2024

	Unaudited		Audited
	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Assets			
Non-Current assets			
Exploration and evaluation assets	-	5,550	-
Investments	767	1,593	942
	767	7,143	942
Current assets			
Trade and other receivables	15	137	20
Cash and cash equivalents	66	300	45
	81	437	65

Total assets	848	7,580	1,007
Equity and liabilities			
Equity			
Share capital	3,324	3,324	3,324
Share premium	25,653	25,153	25,153
Shares to be issued	286	286	286
Share option and warrant reserve	276	362	276
Foreign exchange reserve	(23)	342	(41)
Retained earnings	(28,741)	(21,988)	(28,079)
Total equity	775	7,479	919
Current liabilities			
Trade and other payables	73	101	88
Total equity and liabilities	848	7,580	1,007

Unaudited Consolidated Statement of Changes in Equity
For the period ended 30 June 2024

	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 2023	3,324	25,153	286	362	318	(22,279)	7,164
Loss for the year	-	-	-	-	-	(5,886)	(5,886)
Other comprehensive income	-	-	-	-	(359)	-	(359)
Total comprehensive income for the year	-	-	-	-	(359)	(5,886)	(6,245)
Issue of shares	-	-	-	-	-	-	-
Transfer on exercise and expiry of warrants	-	-	-	(86)	-	86	-
Total other movements	-	-	-	(86)	-	86	-
Balance 31 December 2023	3,324	25,153	286	276	(41)	(28,079)	919
Issue of shares	-	500	-	-	-	-	500
Profit for the period	-	-	-	-	-	(662)	(662)
Other comprehensive income	-	-	-	-	18	-	18
Total comprehensive income for the period	-	-	-	-	18	(662)	(644)
Balance 30 June 2024	3,324	25,653	268	276	(23)	(28,741)	775

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	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 2024

	Unaudited Six Months ended		Audited Year ended
	30 June 2024	30 June 2023	31 December 2023
	£'000	£'000	£'000
Cash flows from operating activities			
Profit/(loss) before taxation	(134)	291	(5,886)
Adjustment for:			
Impairment of exploration and evaluation assets	-	-	5,377
Change in fair value of investments	(510)	(456)	125
Bad debts written off	-	-	120
	(644)	(165)	(264)
Changes in working capital			
Receivables	5	13	11
Payables	(15)	24	10
Net cash used in operating activities	(654)	(128)	(243)
Cash flows from investing activities			
Expenditure on exploration and evaluation assets	-	(60)	(234)
Purchase of listed investments	-	(587)	(663)
Sale of listed investments	175	29	139
Net cash used in investing activities	175	(618)	(758)
Cash flows from financing activities			
Proceeds from share issues	500	-	-
Net cash from financing activities	500	-	-
Net (decrease)/increase in cash and cash equivalents	21	(746)	(1,001)
Cash and cash equivalents at 1 January 2024	45	1,046	1,046
Cash and cash equivalents at 30 June 2024	66	300	45

Notes to the unaudited condensed consolidated financial statements
For the period ended 30 June 2024

1. Incorporation and principal activities

Country of incorporation

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 2024 and 30 June 2023 is unreviewed and 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 2023 has been derived from the Annual Report and Accounts, which were approved by the Board of Directors 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 2023 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 2023 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, however in the opinion of the directors there is a material uncertainty over whether that the Company is able to 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. Absent external funding being secured, the Company will need to continue to liquidate its listed investment portfolio in order to continue operating as a going concern. At 30 June 2024, the Group had cash of £66,000 (with an average monthly cash burn of about £25,000 including annual audit costs) and listed investments with a value of £766,879.

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

There were no earnings per share as the group reported a loss of £644,000 (2023, profit of £291,000) and on 587,529,895 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

****ENDS****

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

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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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