



Katoro Gold Plc
(Incorporated in England and Wales)
(Registration Number: 9306219)
Share code on the AIM: KAT
ISIN: GB00BSNBL022
("Katoro" or "the Company")

Unaudited Interim results for the six months ended 30 June 2018

Dated 11 September 2018

Katoro Mining plc ('Katoro' or the 'Company') (AIM: KAT), the Tanzanian focused exploration and development company, is pleased to announce its unaudited results for the six months ended 30 June 2018. The interim results will also shortly be available on the Company's website www.katorogold.com.

Overview

- Positive progress made in building a diversified mining portfolio to provide shareholders with multiple value accretive development opportunities
- Entered into an agreement to conditionally acquire a 100% interest in Kibo Nickel Ltd, which is the 100% owner of the polymetallic Haneti Nickel Project ('Haneti') in Tanzania
 - The main condition precedent, being the successful completion of due diligence, is well advanced and, pending the outcome, it is expected that the transaction will be completed shortly
- Completed all technical aspects of the pre-feasibility study for its Imweru Gold Project, Tanzania ('Imweru') and continuing engagement with the Tanzanian Ministry of Minerals to determine the next steps with regards to the development of Imweru
- Successfully raised £325,000 (before expenses) via a placing involving new and existing shareholders to finance the continued development of the Company's Tanzanian projects and to provide general working capital purposes

Louis Coetzee, Executive Chairman of Katoro, said: *"2018 has already been a highly active year for the Company. We have focused on the development of the Imweru gold project as well as delivering on our strategy to diversify the Company's asset portfolio by agreeing to the conditional acquisition of Kibo Nickel. We now believe that we have a strong platform for growth in order to provide value to our shareholders."*

For further information please visit www.katorogold.com or contact:

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Chairman's Report

Dear Shareholders

Following a highly active year in 2017, I am pleased to report that 2018 continues to be just as positive for the Company, with significant progress made in delivering on our strategy to build a diverse, value accretive portfolio.

During the period under review, we maintained our focus on the Imweru Gold Project, to build upon the expanded drill programme and various studies and surveys undertaken in 2017. We have successfully completed all the technical aspects of the pre-feasibility study ('PFS') and are now assessing the project's economic viability, particularly in light of the new mining legislation that was introduced in the summer of 2017. This involves continuing engagement with the Tanzanian Ministry of Minerals regarding the mining licence application process and counsel on the economic impacts of the mining legislation. Whilst this process remains ongoing, I would like to take this opportunity to confirm that our confidence in Tanzania has been recently bolstered by public statements from the newly formed Mining Commission, reiterating its commitment to supporting highly prospective projects, which we believe Imweru is.

Imweru is situated in the greater Lake Victoria Goldfields area in Tanzania, a proven mineral district that currently hosts both AngloGold Ashanti's Geita Gold Mine and Acacia Mining's Bulyanhulu Gold Mine. The current JORC-compliant mineral resource at Imweru consists of 11.6 Mt at a grade of 1.38 g/t for 515,110 oz Au and crucially we believe that there is significant potential to enhance this further, especially considering that exploration work to date has only covered 50% of the project area. In support of this and subject to the economic viability of Imweru being confirmed, the board will likely seek to upgrade and expand the Imweru resource to the 1 million oz threshold.

Looking at the broader development of the project, the Company's decision to undertake a thorough assessment of Imweru's economic viability has meant that timelines have had to be altered. Whilst our opinion of the project's inherent resource value potential remains unchanged, it is important that we gain a full understanding of the operating environment in which we now operate before making a strategic development decision.

Alongside advancing Imweru, and in line with our strategy to diversify our portfolio, Katoro has been exploring a number of additional growth opportunities. I am delighted to report that we have delivered on this strategy by entering into a conditional agreement with Kibo Energy plc to acquire Kibo Nickel Limited and its wholly owned subsidiary Eagle Exploration Limited to gain full ownership of the polymetallic Haneti Nickel Project in Tanzania. Good progress is being made on completing the conditions relating to the acquisition, including the completion of due diligence, and I look forward to updating shareholders in this regard.

The board were attracted to Haneti, as it is a highly prospective, high-grade nickel sulphide asset. Previous work has identified stellar grades of up to 13.59% nickel with additional gold, cobalt, platinum credits and some significant lithium anomalies. Independent work has confirmed the potential for a significant nickel deposit and on completion of the acquisition, we will implement our own work programme to further confirm Haneti's prospectivity.

The board believes that the project is made all the more attractive by the notably strong market fundamentals for nickel, driven primarily by demand from the electric vehicle and energy storage sectors. This demand is being driven by global government initiatives to reduce the production and use of conventional diesel or petrol engine vehicles and to promote electric vehicles as a more environmentally conscious solution. Electric vehicles and energy storage technologies use Li-

ion batteries, of which nickel is a key component. Currently a Li-ion battery consists of 39% nickel, but it is predicted that this composition will change so that by 2025 the nickel content will increase to 58%. Increased composition combined with rapidly increasing sales of electric vehicles is expected to significantly drive demand from the current 36,000 tonnes per annum to 350,000-500,000 tonnes per annum by 2025. Accordingly, we believe that this diversification of Katoro's portfolio is ideally timed. I look forward to updating shareholders as we progress the acquisition of the Haneti and move forward with our proposed work programme.

Financial Review

During the period under review, the Company was also able to raise £325,000 (before expenses) via a placing involving new and existing investors, with the monies being received after the period end. In the placing, Katoro's majority shareholder, Kibo Energy plc ('Kibo') invested a further £75,000 in the Company, thereby maintain its interest in Katoro at over 50%. This investment is testament to board of Kibo's confidence in Katoro and its asset portfolio. We will utilise the net proceeds from this placing for the advancement of both Imweru and Haneti as well as general working capital. Following the placing, we currently have a robust cash position of approximately £620,000 subsequent to expenditure in the normal course of business.

Following completion of the placing in July 2018, in accordance with the terms of their employment, the board has also decided to commence paying directors' remuneration.

Outlook

On completion of the Haneti acquisition, which is expected in due course, Katoro will have a strong asset portfolio that provides exposure to two highly sought-after commodities. Our focus will continue to be the efficient and cost-effective development of Imweru and Haneti so that we can further unlock their value potential and capitalise on the growing market opportunities available. Alongside this, we continue to maintain an active growth strategy and will continue to assess strategic assets that we believe complement our current portfolio and provide shareholders with value upside opportunity.

With a defined development strategy in place and multiple workstreams underway, I believe the second half of this year will continue to be highly active and I look forward to updating shareholders on developments in due course. We hope these developments will be positively reflected in the share price, as we appreciate the current price is far from where investors would like it to be and where the Company believes it should be.

Finally, I would like to extend my sincerest gratitude to those involved in Katoro for their consistent hard work and to our shareholders for their commitment to the Company.

Louis Coetzee

Executive Chairman

11 September 2018

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014.

Unaudited Interim Results for the six months ended 30 June 2018**Unaudited condensed consolidated interim Statement of Comprehensive Income
For the six months ended 30 June 2018**

	Note	6 months to 30 June 2018 (Unaudited) £	6 months to 30 June 2017 (Unaudited) £	12 months to 31 December 2017 (Audited) £
Revenue		-	-	-
Cost of sales		-	-	-
Gross Profit		-	-	-
Administrative expenses		(109,364)	(67,746)	(177,205)
Foreign exchanges gain/(loss)		4,690	(145,712)	(36,005)
AIM IPO transaction costs		-	(540,784)	(556,935)
Exploration expenditure		(47,605)	(175,597)	(911,649)
Deemed cost of listing		-	(206,670)	(206,670)
Operating Loss		(152,279)	(1,136,509)	(1,888,464)
Investment and Other Income		-	-	-
Loss before Tax		(152,279)	(1,136,509)	(1,888,464)
Tax		-	-	-
Loss for the period		(152,279)	(1,136,509)	(1,888,464)
Other comprehensive income:				
Exchange differences on translating of foreign operations, net of taxes		162,949	145,404	(15,212)
Total Comprehensive Income/ (Loss) for the Period		10,670	(991,105)	(1,903,676)
Loss per share				
Basic and diluted loss per share (pence)	3	0.14	1.35	1.93

Unaudited condensed consolidated interim Statement of Financial Position
As at 30 June 2018

	Note	6 months to 30 June 2018 (Unaudited) £	6 months to 30 June 2017 (Unaudited) £	12 months to 31 December 2017 (Audited) £
Current assets				
Trade receivables		-	3,855	-
Other receivables		-	1,877	1,818
Cash and cash equivalents		384,677	1,495,632	564,840
Total current assets		384,677	1,501,364	566,658
Total Assets		384,677	1,501,3264	566,658
Equity				
Called up share capital	5	1,090,631	1,082,833	1,082,833
Share premium		2,065,252	2,055,266	2,050,418
Capital contribution reserve		10,528	10,528	10,528
Translation reserve		(449,920)	(282,146)	(442,762)
Merger reserve		1,271,715	1,271,715	1,271,715
Warrant reserve		41,808	41,808	41,808
Retained deficit		(3,775,445)	(2,871,211)	(3,623,166)
Total Equity		254,569	1,308,793	391,374
Liabilities				
Current liabilities				
Trade and other payables	2	130,108	192,571	175,284
Total current liabilities		130,108	192,571	175,284
Total Equity and Liabilities		384,677	1,501,364	566,658

Unaudited Condensed Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Warrant reserve	Merger Reserve	Capital Contribution Reserve	Foreign currency translation reserve	Retained deficit	Total
	£	£	£	£	£	£	£	£
Balance at 31 December 2017 (audited)	1,082,833	2,050,418	41,808	1,271,715	10,528	(442,762)	(3,623,166)	391,374
Loss for the period	-	-	-	-	-	-	(152,279)	(152,279)
Other comprehensive loss - exchange differences on translating of foreign operations	-	-	-	-	-	(7,158)	-	(7,158)
Proceeds of share issue of share capital	7,798	14,834	-	-	-	-	-	22,632
Balance as at 30 June 2018 (unaudited)	1,090,631	2,065,252	41,808	1,271,715	10,528	(449,920)	(3,775,445)	254,569
Balance at 1 January 2017 (audited)	172,500	918,631	-	(945,378)	10,528	(427,550)	(1,734,702)	(2,005,971)
Loss for the period	-	-	-	-	-	-	(1,136,509)	(1,136,509)
Other comprehensive income - exchange differences	-	-	-	-	-	145,404	-	145,404
Total comprehensive loss	-	-	-	-	-	145,404	(1,136,509)	(991,105)
Issue of share capital	910,333	1,501,710	-	2,217,093	-	-	-	4,629,136
Share issue costs	-	(365,075)	41,808	-	-	-	-	(323,267)
Balance at 30 June 2017 (unaudited)	1,082,833	2,055,266	41,808	1,271,715	10,528	(282,146)	(2,871,211)	1,308,793
Balance at 1 January 2017 (audited)	172,500	918,631	-	(945,378)	10,528	(427,550)	(1,734,702)	(2,005,971)
Loss for the period	-	-	-	-	-	-	(1,888,464)	(1,888,964)
Other comprehensive loss - exchange differences	-	-	-	-	-	(15,212)	-	(15,212)
Issue of share capital	910,333	1,501,710	-	2,217,093	-	-	-	4,629,136
Share issue costs	-	(369,923)	41,808	-	-	-	-	(323,267)
Balance at 31 December 2017 (audited)	1,082,833	2,050,418	41,808	1,271,715	10,528	(442,762)	(3,623,166)	391,374

Unaudited condensed consolidated interim statement of cash flow
For the six months ended 30 June 2018

	6 months to 30 June 2018 (Unaudited) £	6 months to 30 June 2017 (Unaudited) £	12 months to 31 December 2017 (Audited) £
Loss for the period before taxation	(152,279)	(1,136,509)	(1,888,464)
Adjusted for:			
Foreign exchange (gain)/ loss	(4,690)	145,712	36,005
Deemed cost of listing	-	206,670	206,670
Costs settled in shares	8,217	302,000	155,539
Operating income before working capital changes	(148,752)	(482,127)	(1,490,250)
Decrease/ (Increase) in trade and other receivables	1,818	(5,690)	261,898
(Decrease)/ Increase in trade and other payables	(45,176)	262,372	(1,818)
Net cash outflows from operating activities	(192,110)	(225,445)	(1,230,170)
Cash flows from financing activities			
Issue of shares (net of share issue costs)	14,400	1,176,733	1,318,345
Cash acquired as part of business combination	-	465,408	465,408
Increase in loans advanced from related parties	-	67,679	-
Net cash proceeds from financing activities	14,400	1,709,820	1,783,753
Net increase in cash and cash equivalents	(177,710)	1,484,375	553,583
Cash and cash equivalents at beginning of period	564,840	11,257	11,257
Exchange fluctuation	(2,453)	-	-
Cash and Cash equivalents at end of period	384,677	1,495,632	564,840

Notes to the unaudited condensed consolidated interim financial statements
For the six months ended 30 June 2018

Note 1 General information

Katoro Gold PLC (formerly Opera Investments PLC) ('Katoro' or the 'Company') is incorporated in England & Wales as a public limited company. The Company's registered office is located at 60 Gracechurch Street, London EC3V 0HR.

The principal activity of Katoro, through its subsidiaries (together the 'Group'), is to carry out evaluation and exploration studies within a licenced portfolio area with a view to generating commercially viable Mineral Resources, namely gold mines. In Lake Victoria, Tanzania, the Group has two gold mining projects, Imweru and Lubando, which have mineral exploration licences.

The condensed interim consolidated financial statements do not represent statutory accounts within the meaning of section 435 of the Companies Act 2016.

The condensed interim financial information is unaudited and has been prepared on the basis of the accounting policies as set out in the audited financial statements for the period ended 31 December 2017.

Accounting policies applied are consistent with those of the previous financial period.

The seasonality or cyclicity of operations does not impact the interim financial statements.

From 1 January 2018, the following standards, amendments and interpretations were adopted by the group:

- IFRS 9 Financial instruments; and
- IFRS 15 Revenue from contracts with Customers.

The adoption of the above has not had a significant impact on the groups result for the period or equity.

Going concern

The Group currently generates no revenue and had net assets of £254,569 as at 30 June 2018. Following completion of the placing in June 2018 and the receipt of monies post the period end in July 2018, the Group currently has a cash balance of approximately £620,000.

After reviewing the Group's financial projections, the directors of the Company (the 'Directors') have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, including, assuming all the conditions are satisfied regarding the acquisition of Kibo Nickel Limited, the proposed initial work programme for the Haneti nickel project. For this reason, the Directors have adopted the going concern basis in preparing the Group Financial Information.

Note 2 Trade and other payables

	30 June 2018	30 June 2017	31 Dec 2017
	£	£	£
Trade payables	111,529	169,813	70,926
Other payables	-	-	70,954
Accruals	18,579	22,758	33,368
	130,108	192,571	175,248

Note 3 Earnings per share

The calculation of loss per share is based on the following loss and number of shares:

	30 June 2018	30 June 2017	31 Dec 2017
	£	£	£
Loss for the period from continuing operations	(152,279)	(1,136,509)	(1,888,464)
Basic and diluted number of shares	109,015,814	87,426,851	97,997,944

Note 8 **Commitments and contingencies**

There are no material contingent assets or liabilities as at 30 June 2018.