

Regulatory Announcement

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Company	Peninsular Gold Limited
TIDM	PGL
Headline	Interim Results
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Peninsular Gold Limited
(“Peninsular Gold” or the “Company”)
(AIM: PGL)

Interim Results (unaudited) Six Months to 31st December 2007

HIGHLIGHTS

- **Raub Carbon-In-Leach plant construction on target**
- **Encouraging initial set of results from drilling of Raub oxides**
- **Exploration at Raub continuing, further assay results expected over coming weeks**

CHAIRMAN'S STATEMENT

Dear Shareholders,

There are a number of key areas of progress on which to report since our last set of results (for the year ended 30th June 2007), and 2008 looks set to be a promising year for Peninsular Gold as we press forward on all fronts. Exploration within the Raub project area has yielded some highly encouraging results from the assays returned to date, including 14.4g/t Au over 6m^{*}, with further results on the way. The Company is set to commission the Raub carbon-in-leach plant during a year that has already seen the gold price reach all-time highs.

Encouraged by the recently announced assay results we intend to proceed with further exploration in both the Raub and Tersang project areas.

Carbon-in-leach Plant (CIL Plant)

Recent exploration results, as well as the existing JORC Code-compliant oxide resources at Raub, are particularly relevant as the Raub CIL Plant approaches completion. Gold production from the CIL Plant is projected to be around 25,000 ounces per annum based on the processing of tailings alone as feedstock. We will continue to develop the higher grade oxide material with a view to it forming additional feed for the CIL Plant currently under construction.

The agreement reached with Amstel Securities in July 2007 to place US\$20 million of convertible loan notes with a major US investment bank has enabled us to proceed expeditiously with the development of the Raub CIL plant. Construction of the CIL Plant is progressing well and plant commissioning and first gold pour is anticipated for the third quarter of 2008.

Financial Results

The loss for the six months to 31st December, 2007 was £944,489 (six months loss to 31st December, 2006: £1,490,562) The convertible loan note funding has, in addition to facilitating the development of the CIL Plant, enabled the repayment of all previous bank term loans. To date US\$16 million of convertible loan notes have been issued with the final tranche of US\$4 million due for issue during March 2008.

Ongoing Strategy

Steady progress is being made towards our initial strategic objective of becoming a significant gold producer in Malaysia. Going forward we will also be undertaking activity to raise investor awareness of the Company both in the UK and the South East Asian region and to this end are considering the feasibility of a dual listing on a regional exchange.

As a growing business in the Raub district the Company has encouraged local participation in the construction of the CIL Plant, where appropriate, and will continue to do so as operations develop in the future.

The Company is pleased to report that it is compliant with both State and Federal requirements covering both the environmental and safety aspects of our operations.

We will continue to consider and evaluate new gold related opportunities to grow the business within the region.

Outlook

2008 looks set to be a year of significant development both for Peninsular Gold and the gold mining industry as a whole. We feel it is likely that the factors underpinning the rising price of gold will remain in place, potentially making this an auspicious year for the Company to bring the Raub CIL Plant into production.

Dato' Sri Andrew Kam
Chairman and Chief Executive

* As announced on 13th December 2007.

Consolidated Balance Sheet at 31st December 2007 (Unaudited)
(Expressed in United Kingdom Sterling)

	Notes	31 st December 2007 (Unaudited) £	31 st December 2006 (Unaudited) £	30 th June 2007 (Audited) £
Non-Current Assets				
Property, plant and equipment	2	2,872,090	857,426	971,003
Other intangible assets		17,378,478	17,378,478	17,378,478
Mining development expenditure	3	2,996,261	1,663,122	1,927,565
Total Non-current Assets		23,246,829	19,899,026	20,277,046
Current Assets				
Inventories		326,606	241,637	243,150
Trade and other receivables	4	1,461,681	377,216	161,598
Cash and cash equivalents	5	2,571,832	1,061,340	490,254
Short-term investment	5	24,217	608,419	616,013
		4,384,336	2,288,612	1,511,015
Current Liabilities				
Trade and other payables	6	(1,168,565)	(226,628)	(281,576)
Borrowings-current portion	7	(13,348)	(1,092,357)	(1,215,845)
Net Current Assets		3,202,423	969,627	13,594
Total Assets Less Current Liabilities		26,449,252	20,868,653	20,290,640
Non-Current Liabilities				
Long-term borrowings	7	(7,854,682)	(647,167)	(707,071)
Net Assets		18,594,570	20,221,486	19,583,569
Shareholders' Equity				
Share capital	8	-	-	-
Share premium		23,114,065	23,068,844	23,068,844
Capital reserve		153,000	153,000	153,000
Translation reserve	9	(60,733)	(67,818)	28,998
Accumulated losses		(4,611,762)	(2,932,540)	(3,667,273)
Total equity		18,594,570	20,221,486	19,583,569

Consolidated Income Statement (Unaudited)
For the Period From 1st July 2007 to 31st December 2007
(Expressed in United Kingdom Sterling)

	Notes	Six months ended 31 st December 2007 (Unaudited) £	Six months ended 31 st December 2006 (Unaudited) £	Year ended 30 th June 2007 (Audited) £
Revenue		-	-	-
Less: Cost of sales		-	-	-
Gross Loss		-	-	-
Administrative expenses		(427,918)	(963,416)	(1,728,335)
Other operating expenses		(57,844)	(15,186)	(84,511)
Loss from operations		(485,762)	(978,602)	(1,812,846)
Interest Income		43,887	46,555	64,481
Loss in financial instruments		-	(566,637)	(417,227)
Foreign exchange loss on translation		(214,881)	-	-
Profit on disposal of fixed assets		177	-	7,310
Income received from put option		-	87,490	87,749
Finance costs		(287,910)	(79,368)	(154,762)
Loss before taxation		(944,489)	(1,490,562)	(2,225,295)
Income tax expense		-	-	-
Loss for the period		(944,489)	(1,490,562)	(2,225,295)
Attributable to :				
Equity Shareholders of the parent		(944,489)	(1,490,562)	(2,225,295)
Basic loss per share	10	(2.09p)	(3.29p)	(4.92p)

Consolidated Statement Of Changes in Equity (Unaudited)
For the Period From 1st July 2007 to 31st December 2007
(Expressed in United Kingdom Sterling)

	Share Capital £	Share premium £	Accumulated losses £	Capital reserve £	Translation reserve £	Total £
As at 1st July 2006	-	23,068,844	(1,441,978)	153,000	(15,160)	21,764,706
Loss for the period	-	-	(1,490,562)	-	-	(1,490,562)
Currency translation differences	-	-	-	-	(52,658)	(52,658)
As at 31st December 2006	-	23,068,844	(2,932,540)	153,000	(67,818)	20,221,486
Loss for the period	-	-	(734,733)	-	-	(734,733)
Currency translation differences	-	-	-	-	96,816	96,816
As at 1st July 2007	-	23,068,844	(3,667,273)	153,000	28,998	19,583,569
Loss for the period	-	-	(944,489)	-	-	(944,489)
Redeemable exchangeable notes – Equity portion	-	45,221	-	-	-	45,221
Currency translation differences	-	-	-	-	(89,731)	(89,731)
As at 31st December 2007	-	23,114,065	(4,611,762)	153,000	(60,733)	18,594,570

Consolidated Statement of Cash Flows (Unaudited)
For the Period From 1st July 2007 to 31st December 2007
(Expressed in United Kingdom Sterling)

	Six months ended 31 st December 2007	Six months ended 31 st December 2006	Year ended 30 th June 2007
	(Unaudited)	(Unaudited)	(Audited)
	£	£	£
Operating Activities			
Loss before taxation	(944,489)	(1,490,562)	(2,225,295)
Adjustments for:			
Depreciation of property, plant and equipment	20,145	18,292	33,396
Profit on disposal of fixed assets	(177)	(7,260)	(7,310)
Interest expense	285,694	77,655	151,718
Interest income	(43,887)	(46,555)	(64,481)
Loss in financial instruments	-	566,637	417,227
Foreign exchange loss on translation	214,881	-	-
Income from put option	-	-	(87,749)
Amortisation of put option	-	264,661	485,210
Amortisation of borrowing costs	17,534	-	-
Write off of fixed assets	-	-	646
Cash outflow before working capital changes	(450,299)	(617,132)	(1,296,638)
Changes in working capital:			
(Increase)/Decrease in inventories	(83,456)	508	(1,005)
(Increase)/Decrease in trade and other receivables	(1,300,083)	(81,639)	62,840
Increase/(Decrease) in trade and other payables	886,989	(191,562)	(170,020)
Cash outflow from operating activities	(946,849)	(889,825)	(1,404,823)
Investing Activities			
Interest received	43,887	46,555	64,481
Interest paid	(285,694)	(77,655)	(151,718)
Purchase of property, plant and equipment	(1,876,195)	(233,018)	(379,799)
Proceeds from disposal of fixed assets	177	7,260	7,310
Income from put option	-	-	87,749
Mining development expenditure	(1,068,696)	(344,493)	(608,936)
Placement of fixed deposit	(24,217)	(353,061)	(360,655)
Withdrawal of fixed deposit	616,013	-	-
Cash outflow from investing activities	(2,594,725)	(954,412)	(1,341,568)
Financing Activities			
Increase in bank loans	7,622,760	-	463,063
Repayment of bank loans	(1,864,840)	(204,573)	(437,819)
Cash inflow/(outflow) from financing activities	5,757,920	(204,573)	25,244

Consolidated Statement of Cash Flows (Unaudited) (continued)
For the Period From 1st July 2007 to 31st December 2007
(Expressed in United Kingdom Sterling)

	Six months ended 31 st December 2007	Six months ended 31 st December 2006	Year ended 30 th June 2007
	(Unaudited) £	(Unaudited) £	(Audited) £
Net Increase/(Decrease) in Cash and Cash Equivalent	2,216,346	(2,048,810)	(2,721,147)
Cash and Cash Equivalents at beginning of Period	490,254	3,162,808	3,162,808
Foreign exchange	(134,768)	(52,658)	48,593
Cash and Cash Equivalents at end of Period	2,571,832	1,061,340	490,254

Notes to the accounts

1. Accounting Policies

These financial statements for the period from 1st July 2007 to 31st December 2007 have been prepared in accordance with International Accounting Standard 34 which applies to interim financial statements.

The same accounting policies and methods of computation are followed in these interim financial statements as were used in the preparation of the financial statements for the year ended 30th June 2007. A copy of those accounts is available on www.peninsulargold.com

2. Property, Plant and Equipment

	Plant & Equipment £	Building & Leasehold Land £	Motor vehicles £	Furniture, Fittings & Equipment £	Renovation £	Total £
Cost						
At 1 st July 2007	919,631	9,819	81,655	68,629	15,498	1,095,232
Additions	1,797,464	75,677	802	2,252	-	1,876,195
Disposals	-	-	(718)	-	-	(718)
Currency translation difference	43,163	461	3,833	3,164	727	51,348
At 31 st December 2007	2,760,258	85,957	85,572	74,045	16,225	3,022,057
Accumulated depreciation						
At 1 st July 2007	80,174	6,345	17,910	18,725	1,075	124,229
Charge for the period	367	4,229	9,526	5,231	792	20,145
Disposals	-	-	(717)	-	-	(717)
Currency translation difference	3,772	399	1,068	1,002	69	6,310
At 31 st December 2007	84,313	10,973	27,787	24,958	1,936	149,967
Net Book Value						
At 31 st December 2007	2,675,945	74,984	57,785	49,087	14,289	2,872,090
At 30 th June 2007	839,457	3,474	63,745	49,904	14,423	971,003
At 31 st December 2006	719,137	12,391	71,361	54,537	-	857,426

Notes to the accounts

3. Mining Development Expenditure

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
Cost			
Opening Balance	1,927,565	1,318,629	1,318,629
Additions	1,068,696	344,493	608,936
Closing Balance	2,996,261	1,663,122	1,927,565

The directors are of the view that there will be sufficient future revenue from the extraction of gold to offset the mining development expenditure capitalised in the financial statements.

4. Trade and other receivables

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
Other receivables, deposits	1,461,681	306,076	161,598
prepayments			
Put options	-	71,140	-
	1,461,681	377,216	161,598

5. Cash and cash equivalents

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
Cash at bank and in hand	2,571,832	1,061,340	490,254
Fixed deposit with a licensed bank	24,217	608,419	616,013
	2,596,049	1,669,759	1,106,267

A fixed deposit with a licensed bank has not been included in Cash and Cash Equivalents as it has a maturity exceeding three months.

Notes to the accounts

6. Trade and other payables

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
Other payables and accruals	1,168,565	226,628	281,576
	1,168,565	226,628	281,576

7. Borrowings

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
Short Term Borrowings			
Term loan	-	1,077,400	1,202,142
Hire purchase obligations	13,348	14,957	13,703
	13,348	1,092,357	1,215,845
Long Term Borrowings			
Redeemable exchangeable notes	8,018,075	-	-
Less related borrowing costs	(208,121)	-	-
Sub total	7,809,954	-	-
Term loan	-	591,810	658,212
Hire purchase obligations	44,728	55,357	48,859
	7,854,682	647,167	707,071

The Group's term loans were subject to interest at a rate ranging from 1.5% - 2.0% per annum above the lender's base lending rate which was 6.75% at 30th June 2007.

On 2nd August 2007, the subsidiaries of the Company settled in full their outstanding bank term loans. All guarantees, securities and undertakings given to the bank in respect of these loans have been released.

On 23rd July 2007, the Company entered into an agreement with Amstel Securities N.V. ('Amstel') pursuant to which Amstel will place up to a total of US\$20 million of secured convertible loan notes (the 'Notes') on behalf of the Company with a major US investment bank. At 31st December 2007, US\$16 million of the Notes had been issued and placed.

Notes to the accounts

7. Borrowings (continued)

The main features of the Notes are as follows:

- a) The Notes will convert into new ordinary shares of no par value in the capital of the Company at a price of 30 pence per share;
- b) Maturity of the Notes is 5 years from the date of the Initial Issue;
- c) The Notes are secured by share pledges over subsidiaries and certain other charges and guarantees from subsidiaries;
- d) The Notes bear coupon interest from the Initial Issue date at 10.50% per annum net and payable in arrears on 30th June and 31st December each year;
- e) On or after the third anniversary of the Initial Issue, the Company has the right to redeem the Notes at a redemption price as well as the right to require the holder(s) of the Notes to convert the Notes into new ordinary shares in the capital of the Company in the event that the Company's share price is above the conversion price at that time by a certain level.

The terms of the convertible notes were evaluated to determine whether they contained both a liability and an equity component. The liability component was calculated on inception using a discount rate of 11 %, based on the estimated prevailing market interest rate for similar notes having no conversion rights.

8. Share capital

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
<u>Company</u>			
Authorised			
Unlimited ordinary shares of £Nil par value each	-	-	-
Allotted, called up and fully paid			
45,278,596 ordinary shares of £Nil par value each	-	-	-
2,560,000 preference shares of £Nil par value each	-	-	-
	-	-	-

Notes to the accounts

9. Translation reserve

Assets and liabilities of foreign consolidated subsidiaries are translated into United Kingdom Sterling at the rate of exchange ruling at the balance sheet date.

Revenue and expenses are translated at the average exchange rates for the period. All resulting translation differences are included in a translation reserve in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:

United Kingdom Sterling	1.00	Malaysian Ringgit	6.6070
United Kingdom Sterling	1.00	United States Dollars	0.5040
United States Dollars	1.00	Malaysian Ringgit	3.3065

10. Loss per share

The calculation of loss per share is based on the loss for the period after taxation and on the weighted average number of shares in issue during the period as below:-

	31st December 2007 (Unaudited) £	31st December 2006 (Unaudited) £	30th June 2007 (Audited) £
Loss for the period	944,489	1,490,562	2,225,295
Weighted average number of shares	45,278,596	45,278,596	45,278,596
Loss per share	2.09p	3.29p	4.92p

The redeemable preference shares are non-dilutive.

11. Segmental information

Currently all revenues, losses before tax and the carrying value of assets and liabilities arise from the production and sale of gold doré bars, activities related to the construction of the carbon-in-leach plant and gold exploration activity within Malaysia.

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