

Regulatory Announcement

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Company	Peninsular Gold Limited
TIDM	PGL
Headline	Interim Results
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13 March 2009

13th March 2009

Peninsular Gold Limited
("Peninsular Gold" or the "Company")
(AIM: PGL)

Interim Results (unaudited) Six Months to 31st December 2008

- First gold pour has taken place
- Convertible Loan Notes redeemed at US\$3 million discount

CHAIRMAN'S STATEMENT**Dear Shareholders,**

The six months to 31 December, 2008 reflected a key stage of Peninsular's ("PGL") development as we completed the construction of the new Carbon-In-Leach plant ("Plant") at Raub and began the commissioning process. In the short period since the end of December we have continued to press ahead on a number of fronts, with perhaps the most noteworthy being the first gold pour from the Plant on 18 February 2009, marking our transition from being an explorer to a gold producer.

As the Plant's operations bed in and production ramps up towards expected levels over the coming months the Company is well positioned to benefit from any continuing strength in the gold price.

Convertible Loan Notes Buy Back

In addition to the significance of getting into production, the last few weeks have seen us able to close a key deal to buy back the outstanding US\$20 million of 10.5% convertible loan notes ("Notes") for only US\$17 million and the issuance of 10,000,000 one for one warrants exercisable at 30 pence each. I believe this transaction represents excellent value for shareholders, as it realises both a saving of US\$3 million and significantly reduces the dilutive potential of the Notes. The Notes may have converted, if exercised, into approximately 32.5 million shares at a price of 30 pence each.

Financial Results and New Finance Facilities

The loss for the 6 months to 31 December, 2008 was £671,699 (six months loss to 31 December, 2007 £944,489).

The Notes were repurchased principally via a funding facility of RM54 million (equivalent to approximately £10.8 million) from a local financial institution, Bank Kerjasama Rakyat Malaysia Berhad ("Bank"), at a lower cost (currently 8.25% vs. 10.5% fixed) with potential for further savings should Malaysian funding rates decrease further. The Bank has also provided a RM15 million (equivalent to approximately £3 million) facility to Raub Australian Gold Mining Sdn. Bhd. ("RAGM") for working capital purposes.

Exploration Plans

Exploration and drilling at the Raub site has to date focused on the oxide zone with a maximum depth drilled of approximately 100 metres. The next phase of intended exploration at Raub will be a combination of reverse circulation and

diamond drilling, focusing on the potential of the deeper (+100m) fresh ore within the main body of the deposit. The deposit runs north to south on the western side of the Raub project area and dips to the east. We remain confident in the potential for significant (+1 million ounces) additional resources going to depth at Raub.

Exploration in the Tersang project area is also planned to recommence later this year and will expand on the previous programmes and also target some of the high grade shoots of mineralisation identified.

Strategy and Outlook

PGL is making clear progress in its strategy to become a significant regional gold producer, with production having started at Raub and plans for the expansion of the Plant currently in hand. We also expect to add to our resource inventory as the next phase of exploration programmes commence over the coming months.

Peninsular has benefited from excellent team work from its highly committed staff, who have worked hard to develop the business and bring us into production via the new Plant. As part of our ongoing development we will be finalising and implementing a share based incentive scheme to both reward staff and ensure strong alignment with shareholders interests.

We are also continuing to recruit and train new staff from the local workforce as we build up to full capacity at Raub. We expect to make a growing contribution to the local economy at a time when other industries are contracting due to financial pressures and the collapse in some commodity prices over the last year.

As this seminal year for PGL progresses I look forward to updating the market on our progress.

Dato' Sri Andrew Tai Yeow Kam
Chairman and Chief Executive

Consolidated Balance Sheet (Unaudited) at 31st December 2008 (Expressed in United Kingdom Sterling)

		31 st December 2008	31 st December 2007	30 th June 2008
	Notes	(Unaudited) £	(Unaudited) £	(Audited) £
Non-Current Assets				
Property, plant and equipment	2	12,429,903	2,872,090	5,970,162
Other intangible assets		17,378,478	17,378,478	17,378,478
Mining development expenditure	3	4,431,179	2,996,261	3,338,799
Total Non-current Assets		34,239,560	23,246,829	26,687,439
Current Assets				
Inventories		730,801	326,606	368,785
Trade and other receivables	4	1,029,602	1,461,681	1,908,716
Cash and cash equivalents	5	437,539	2,571,832	2,021,413
Short-term investment	5	32,007	24,217	24,572
		2,229,949	4,384,336	4,323,486
Current Liabilities				
Trade and other payables	6	(2,412,765)	(1,168,565)	(954,472)
Borrowings-current portion	7	(16,982)	(13,348)	(13,037)
Total Current Liabilities		(2,429,747)	(1,181,913)	(967,509)
Net Current (Liabilities) / Assets		(199,798)	3,202,423	3,355,977
Total Assets Less Current Liabilities		34,039,762	26,449,252	30,043,416
Non-Current Liabilities				
Borrowings - non-current portion	7	(14,289,433)	(8,704,682)	(10,420,779)
Net Assets		19,750,329	17,744,570	19,622,637

Shareholders' Equity			
Share capital	8	-	-
State Capital account		25,561,661	22,218,844
Reserves		(5,811,332)	(4,958,254)
Total equity		19,750,329	17,444,570

Consolidated Income Statement (Unaudited)
for the Period From 1st July 2008 to 31st December 2008
(Expressed in United Kingdom Sterling)

	Notes	Six months ended 31 st December 2008 (Unaudited) £	Six months ended 31 st December 2007 (Unaudited) £	Year ended 30 th June 2008 (Audited) £
Revenue		-	-	-
Less: Cost of sales		-	-	-
Gross Loss		-	-	-
Administrative expenses		(616,225)	(427,918)	(975,153)
Other operating expenses		(95,891)	(57,844)	(90,420)
Loss from operations		(712,116)	(485,762)	(1,065,573)
Interest Income		14,362	43,887	67,274
Finance costs		(307,839)	(287,910)	(365,333)
Other income / (expense) :				
Foreign exchange gain / (loss)		333,894	(214,881)	(87,642)
Profit on disposal of fixed assets		-	177	179
Loss before taxation		(671,699)	(944,489)	(1,451,095)
Income tax expense		-	-	-
Loss for the period		(671,699)	(944,489)	(1,451,095)
Attributable to :				
Equity Shareholders of the parent		(671,699)	(944,489)	(1,451,095)
Basic loss per share	10	(1.27p)	(2.09p)	(3.17p)

Consolidated Statement Of Changes in Equity (Unaudited)
For the Period From 1st July 2008 to 31st December 2008
(Expressed in United Kingdom Sterling)

	Share Capital £	State Capital account £	Accumulated losses £	Capital reserve £	Equity reserve on loan notes £	Translation reserve £	Total £
At 1 st July 2007	-	22,218,844	(3,667,273)	153,000	-	28,998	18,733,569
Loss for the period	-	-	(944,489)	-	-	-	(944,489)
Convertible loan notes - Equity portion	-	-	-	-	45,221	-	45,221
Currency translation differences	-	-	-	-	-	(89,731)	(89,731)
At 31 st December							

2007	- 22,218,844	(4,611,762)	153,000	45,221	(60,733)	17,744,570
Loss for the period	-	(506,606)	-	-	-	(506,606)
Issue of ordinary shares for cash	- 2,362,047	-	-	-	-	2,362,047
Convertible loan notes - Equity portion	-	-	-	63,366	-	63,366
Currency translation differences	-	-	-	-	(40,740)	(40,740)
At 1st July 2008	- 24,580,891	(5,118,368)	153,000	108,587	(101,473)	19,622,637
Loss for the period	-	(671,699)	-	-	-	(671,699)
Issue of ordinary shares for cash	- 980,770	-	-	-	-	980,770
Currency translation differences	-	-	-	-	(181,379)	(181,379)
At 31st December 2008	- 25,561,661	(5,790,067)	153,000	108,587	(282,852)	19,750,329

Consolidated Statement of Cash Flows (Unaudited)
For the Period From 1st July 2008 to 31st December 2008
(Expressed in United Kingdom Sterling)

	Six months ended 31 st December 2008	Six months ended 31 st December 2007	Year ended 30 th June 2008
	(Unaudited) £	(Unaudited) £	(Audited) £
Operating Activities			
Loss before taxation	(671,699)	(944,489)	(1,451,095)
Adjustments for:			
Depreciation of property, plant and equipment	24,506	20,145	41,099
Profit on disposal of fixed assets	-	(177)	(179)
Finance costs	307,839	285,694	365,333
Interest income	(14,362)	(43,887)	(67,274)
Foreign exchange (gain) / loss on translation	(331,452)	214,881	180,948
Amortisation of transaction costs for convertible loan notes	50,840	17,534	101,681
Cash outflow before working capital changes	(634,328)	(450,299)	(829,487)
Changes in working capital:			
Increase in inventories	(362,016)	(83,456)	(125,635)
Decrease / (increase) in trade and other receivables	879,115	(1,300,083)	(1,747,118)
Increase in trade and other payables	1,458,292	886,989	672,897
Cash inflow / (outflow) from operating activities	1,341,063	(946,849)	(2,029,343)
Investing Activities			
Interest received	14,362	43,887	67,274
Purchase of property, plant and equipment	(4,681,870)	(1,876,195)	(4,981,129)
Proceeds from disposal of fixed assets	-	177	179
Mining development expenditure	(1,092,380)	(1,068,696)	(1,411,234)
Placement of fixed deposit	-	(24,217)	(24,572)
Withdrawal of fixed deposit	-	616,013	616,013
Cash outflow from investing activities	(5,759,888)	(2,309,031)	(5,733,469)
Financing Activities			
Repayment of bank loans	-	(1,860,354)	(1,860,354)
Repayment of hire purchase obligations	(8,491)	(4,486)	(10,660)
Proceeds from issue of ordinary shares	980,770	-	2,362,047

Proceeds from issue of convertible loan notes	-	7,622,760	9,357,871
Finance costs paid	(307,839)	(285,694)	(365,333)
Cash inflow from financing activities	664,440	5,472,226	9,483,571

Consolidated Statement of Cash Flows (Unaudited) (continued)
For the Period From 1st July 2008 to 31st December 2008
(Expressed in United Kingdom Sterling)

	Six months ended 31 st December 2008 (Unaudited) £	Six months ended 31 st December 2007 (Unaudited) £	Year ended 30 th June 2008 (Audited) £
Net (Decrease) / Increase in Cash and Cash Equivalent	(3,754,385)	2,216,346	1,720,759
Cash and Cash Equivalents at beginning of Period	2,021,413	490,254	490,254
Foreign exchange translation reverse	2,170,511	(134,768)	(189,600)
Cash and Cash Equivalents at end of Period	437,539	2,571,832	2,021,413

Notes to the Financial Statements (Unaudited)
For the Period From 1st July 2008 to 31st December 2008

1. Accounting Policies

These financial statements for the period from 1st July 2008 to 31st December 2008 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 2008. A copy of those accounts is available on www.peninsulargold.com

2. Property, Plant and Equipment

	Plant & Equipment	Buildings	Motor vehicles	Furniture, Fittings & Equipment	Renovation	Assets under construction	CIL plant	Tailings dam	Leasehold land	Total
	£	£	£	£	£	£	£	£	£	£
Cost										
At 1 st July 2008	562,701	10,430	91,054	80,694	16,464	5,305,780	-	-	76,788	6,143,911
Additions	93,876	-	-	23,981	-	3,804,046	-	759,967	-	4,681,870
Transfer	-	-	-	-	-	(10,715,178)	10,715,178	-	-	-
Currency translation difference	170,254	3,156	27,549	24,415	4,982	1,605,352	-	-	23,234	1,858,942
At 31st December 2008	826,831	13,586	118,603	129,090	21,446	-	10,715,178	759,967	100,022	12,684,723
Accumulated depreciation										
At 1 st July 2008	85,935	7,848	38,413	31,086	2,788	-	-	-	7,679	173,749
Charge for the period	1,249	627	11,730	5,620	932	-	-	-	4,348	24,506
Currency translation difference	26,188	2,469	13,386	10,562	984	-	-	-	2,976	56,565

At 31 st December 2008	113,372	10,944	63,529	47,268	4,704	-	-	-	15,003	254,820
Net Book Value										
At 31 st December 2008	713,459	2,642	55,074	81,822	16,742	-	10,715,178	759,967	85,019	12,429,903
At 30 th June 2008	476,766	2,582	52,641	49,608	13,676	5,305,780	-	-	69,109	5,970,162
At 31 st December 2007	36,270	3,092	57,785	49,087	14,289	2,639,674	-	-	71,893	2,872,090

Assets under construction refer to the construction works in progress for the Carbon-In-Leach Plant. In September 2008, RAGM completed the building of its new Carbon-In-Leach Plant and commissioning has begun at its Raub gold project in Pahang, Malaysia.

Leasehold land refers to a piece of land owned by SEREM on which mining certificate MC511 relates to.

Notes to the Financial Statements (Unaudited)
For the Period From 1st July 2008 to 31st December 2008

3. Mining Development Expenditure

	31 st December 2008 (Unaudited) £	31 st December 2007 (Unaudited) £	30 th June 2008 (Audited) £
Cost			
Opening balance	3,338,799	1,927,565	1,927,565
Additions	1,092,380	1,068,696	1,411,234
Closing balance	4,431,179	2,996,261	3,338,799

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

4. Trade and other receivables

	31 st December 2008 (Unaudited) £	31 st December 2007 (Unaudited) £	30 th June 2008 (Audited) £
Other receivables, deposits prepayments	1,029,602	1,461,681	1,908,716

5. Cash and cash equivalents

	31 st December 2008 (Unaudited) £	31 st December 2007 (Unaudited) £	30 th June 2008 (Audited) £
Cash at bank and in hand	437,539	2,571,832	2,021,413
Fixed deposit with a licensed bank	32,007	24,217	24,572
	469,546	2,596,049	2,045,985

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 Financial Statements (Unaudited)
For the Period From 1st July 2008 to 31st December 2008

6. Trade and other payables

	31 st December 2008 (Unaudited) £	31 st December 2007 (Unaudited) £	30 th June 2008 (Audited) £
Trade payables	1,866,240	-	241,831
Other payables and accruals	19,490	1,168,565	185,606
Amount due to related party	527,035	-	527,035
	<u>2,412,765</u>	<u>1,168,565</u>	<u>954,472</u>

7. Borrowings

	31 st December 2008 (Unaudited) £	31 st December 2007 (Unaudited) £	30 th June 2008 (Audited) £
Current Portion			
Hire purchase obligations	<u>16,982</u>	<u>13,348</u>	<u>13,037</u>
Non-current Portion			
Convertible loan notes	13,397,298	7,809,954	9,531,913
Preference shares - debt portion	850,000	850,000	850,000
Hire purchase obligations	<u>42,135</u>	<u>44,728</u>	<u>38,866</u>
	<u>14,289,433</u>	<u>8,704,682</u>	<u>10,420,779</u>

The US\$20 million of convertible loan notes are convertible into new ordinary shares of no par value in the capital of the Company at a price of 30 pence per share on or after 22nd August 2007. The foreign exchange rate for conversion is fixed at GBP1.00 : US\$2.05.

Maturity of the notes is 5 years from the date of the Initial Issue (26th July 2007) and the coupon rate is 10.50% per annum net, payable semi annually. The loan notes are secured by share pledges over subsidiaries and debentures (fixed and floating charges) and guarantees from subsidiaries. On or after the 3rd anniversary of the Initial Issue, the Company has the right to redeem the loan notes at a redemption price as well as the right to require the holder(s) of the loan notes to convert the loan 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.

Notes to the Financial Statements (Unaudited)
For the Period From 1st July 2008 to 31st December 2008

8. Share capital

	31 st December 2008 (Unaudited) £	31 st December 2007 (Unaudited) £	30 th June 2008 (Audited) £
Company			
Authorised			
Unlimited ordinary shares of £Nil par value each	<u>-</u>	<u>-</u>	<u>-</u>
Allotted, called up and fully paid			
55,230,978 ordinary shares of £Nil par value each	-	-	-
2,560,000 preference shares of £Nil par value each	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

An additional 4,000,000 ordinary shares were issued on 21st October 2008 at 25p per share. The net proceeds of the share issue (after deducting issue costs) was £980,770.

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	4.9989
United Kingdom Sterling	1.00	United States Dollars	1.4619
United States Dollars	1.00	Malaysian Ringgit	3.4640

Notes to the Financial Statements (Unaudited)

For the Period From 1st July 2008 to 31st December 2008

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:-

	31 st December 2008 (Unaudited)	31 st December 2007 (Unaudited)	30 th June 2008 (Audited)
	£	£	£
Loss for the period	(671,699)	(944,489)	(1,451,095)
Weighted average number of shares	52,774,456	45,278,596	45,766,496
Loss per share	<u>(1.27p)</u>	<u>(2.09p)</u>	<u>(3.17p)</u>

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. During the financial period, there was no gold production, hence there was no sale.

12 Post Balance Sheet Events

Repurchase of Convertible Loan Notes and New Financing Facilities

- On 16th February, 2009 the Company announced that it had entered into an agreement to repurchase for cancellation the entire issue of its US\$20 million, 10.5% convertible loan notes ("Notes"), issued in 2007, for a cost of US\$17 million and the issue of 10 million one for one warrants. On 24th February, 2009 the transaction to repurchase and cancel the Notes was settled and all securities given in relation to the Notes were released.
- The Company's wholly owned subsidiary Raub Australian Gold Mining Sdn. Bhd. ("RAGM") has secured funding from a local Malaysian financial institution, Bank Kerjasama Rakyat Malaysia Berhad ("Bank") of Ringgit Malaysia 54 million (equivalent to £10.8 million) to assist in the repurchase of the Notes.
- RAGM has also obtained a Ringgit Malaysia 15 million (equivalent to £3 million) facility for working capital purposes from the Bank.

Further details of the Notes repurchase and the new facilities from the Bank are contained in the announcement made on 16th February, 2009.

Notes to the Financial Statements (Unaudited)

For the Period From 1st July 2008 to 31st December 2008

12. Post Balance Sheet Events (continued)

First Gold Pour at Raub

- d. Following its construction and commissioning, the Company made its first gold pour from the new Carbon-In-Leach Plant at Raub, on 18th February, 2009.

-Ends-

For further information:

Peninsular Gold Limited
Dato' Sri Andrew T. Y. Kam
Chairman and Chief Executive

Tel: +60 3 2163 4611

Patrick Watson
Finance Director

Tel: +44 7799 885653

Ambrian Partners Limited
David Nabarro/Richard Greenfield

Tel: +44 20 7634 4700

Conduit PR Limited
Ed Portman

Tel: +44 20 7429 6607

Blue Oar Securities Limited
Jerry Keen

Tel: +44 20 74484 471

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