

Gunsynd plc

("Gunsynd", or "the Company")

Interim Results for the six months ended 31 January 2017

Chairman's Statement

We are pleased to report the interim results for the six months ended 31 January 2017.

Review of Investments

The reporting period has been one of activity and pleasing results for the Company. We have substantially increased our investment portfolio with major new investments in Oyster and Zenith as well as increasing our stake in Alba. Each of these three investments has performed strongly, giving returns significantly in excess of the FTSE AIM All-Share Index.

Oyster Oil and Gas Limited ("Oyster")

We are particularly pleased with this investment since we believe it is both an exceptional asset with highly prospective resources and also has a very capable management team led by Michael Wood, who has a great deal of experience in oil and gas exploration and production with Heritage Oil and others. In February 2017, Oyster announced that, following negotiations with the Office des Mines Nationales et des Industries Stratégiques, agreement had been reached to provide a 2 year extension to the current exploration phase of the Production Sharing Contract ("PSC") to July 2019. The technical work program for 2017 has also been defined, which will include field work and detailed surveys to improve the structural definition and drilling locations on the prospects.

Zenith Energy Limited ("Zenith")

Zenith, since its IPO on the Standard Segment of the Official List in January 2017, has announced both the sales of its Argentinian assets as well as an additional workover rig for its assets in Azerbaijan (making two rigs in total). Results from the first two workovers are due in the near future.

Alba Mineral Resources plc ("Alba")

The Company purchased a further 70 million shares in Alba during the period under review at prices of 0.2p and 0.23p per share and now holds approximately 4.9 per cent of Alba. The current share price of approximately 0.3p is at a significant premium to these prices. We see further upside potential in the near term with the results of drilling at the Brockham Oil Field due imminently. Alba has a 5% direct interest in this field. Alba has also progressed its Greenland graphite project which we believe also holds potential.

Horse Hill Developments Limited ("HHDL")

In October 2016 HHDL submitted a planning application with Surrey County Council seeking permission to conduct further significant appraisal testing and drilling at the Horse Hill-1 ("HH-1") oil discovery, located in Licence PEDL137, close to Gatwick Airport. The HH-1 oil discovery achieved an aggregate stabilised flow rate of 1688 bopd from two Kimmeridge limestones plus the overlying Portland sandstone. Subject to the required regulatory approvals, the first phase of the proposed development is planned to consist of the extended production testing of four zones, designed to confirm the commerciality of the discovery, and to examine a previously untested Kimmeridge limestone. The planning application also seeks permission for a two-well drilling phase, which contingent upon successful testing, will further appraise the extent of the oil

accumulations and the field's production capabilities. The proposed drilling phase includes plans for a deviated sidetrack, HH-1z, to be drilled from the existing HH-1 borehole, together with a new well, Horse Hill-2 ("HH-2"). On completion of drilling, both the HH-1z and HH-2 are planned to be long-term production tested.

Brazil Tungsten Holdings Limited ("BTHL")

Production has increased again over the period and stood at 16.5 tonnes of tungsten concentrate in January 2017 (15 tonnes shipped). The new decline at Feijao is progressing well and is on track to be connected to Central later this year. Approvals for Tarantula are still with the mines department for approval which hopefully will be granted in the not too distant future. It has been very pleasing to see continued improvement in this mine, after some initial difficulties and management appear to have done well at increasing production and expanding the scope of the mine. It is unfortunate that tungsten prices remained suppressed whilst most commodities have had a decent rally, however, we are reasonably confident of an improvement in the price going forward.

Sunshine Minerals ("Sunshine")

This is a recent investment and Gunsynd holds a 10% stake in this company which is a nickel and bauxite exploration company focussing on the Solomon Islands. Sunshine is still waiting for permit applications to be reviewed by the government. Surface access rights also need to be concluded with landowners.

Georgian Mining Corporation ("Georgia")

During the period Georgia reported significant and near surface intercepts from the first three drill holes of a three phased resource development drilling programme at the 50% owned Kvemo Bolnisi (KB) Project in Georgia. According to Georgia this suggests a scope to define a mineable open pit resource at KB in the short term.

Pires Investments ("Pires")

Gunsynd invested £56,000 in Pires in December 2016. Despite its poor investment track record, we believed that, as an investing company with a good cash balance, it constituted a potentially good opportunity for value creation via a reverse takeover. Unfortunately the board of Pires decided to instead invest in an IPO which significantly diminished their cash balances, and which we believe has had a detrimental impact on the share price. We intend to be an activist shareholder and seek to recover value for our investment.

Finance Review

The Company's total comprehensive income for the period was £342,000 (31 January 2016 - £85,000 loss). This was mainly attributable to a market valuation gain in available for sale assets of £487,000 (31 January 2016 - £50,000 loss).

The Company had net assets at 31 January 2017 of £2,671,000 (2016: £1,469,000) including cash balances of £238,000 (2016: £158,000).

During the period, the Company announced it had raised approximately £1.1 million through the issue of approximately 2.4 billion new shares at an average placing price of 0.045 pence per share. The funds have been used to acquire further investment opportunities and for general working capital purposes.

Outlook

The Company has and continues to look at a number of investments that fit within our investment strategy and we are confident that we will be able to successfully conclude one or more investments in the near future that should hopefully generate further significant returns for shareholders. It is pleasing that Gunsynd is clearly in a much better position than it was six months prior and with the resources sector looking more buoyant we feel confident in the future.

The Board would like to take this opportunity to thank our shareholders for their continued support and I look forward to reporting further progress over the next period and beyond.

Hamish Harris
Chairman

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The interim results will be available electronically on the Company's website: www.gunsynd.com.

Gunsynd plc**Interim statement of comprehensive income - unaudited**

For the six months ended 31 January 2017

	Unaudited Six months ended 31 January 2017 £'000	Unaudited Six months ended 31 January 2016 £'000	Audited Year ended 31 July 2016 £'000
Administrative costs	(145)	(35)	(209)
(Impairment) of available-for-sale asset	-	-	(301)
Finance income	-	-	-
Loss before tax	(145)	(35)	(510)
Taxation	-	-	-
Loss for the period	(145)	(35)	(510)
Loss for the period and total comprehensive loss attributable to equity shareholders	(145)	(35)	(510)
Other comprehensive income			
Increase/(decrease) in value of available for sale asset	487	(50)	(54)
Other comprehensive income/(expenditure) for the period net of tax	487	(50)	(54)
Total comprehensive income/(expenditure) for the period	342	(85)	(564)
Loss per ordinary share			
Basic and diluted	(0.008p)	(0.004p)	(0.054p)

Gunsynd plc
Interim statement of financial position - unaudited

As at 31 January 2017

	Unaudited At 31 January 2017 £'000	Unaudited At 31 January 2016 £'000	Audited At 31 July 2016 £'000
ASSETS			
Non-current assets			
Available for sale investments	2,378	1,169	1,009
Total non-current assets	2,378	1,169	1,009
Current assets			
Trade and other receivables	92	216	102
Cash and cash equivalents	238	158	358
Total current assets	330	374	460
Total assets	2,708	1,543	1,469
LIABILITIES			
Current liabilities			
Trade and other payables	(37)	(74)	(162)
Total current liabilities	(37)	(74)	(162)
Total liabilities	(37)	(74)	(162)
Net assets	2,671	1,469	1,307
EQUITY			
Equity attributable to equity holders of the company			
Ordinary share capital	376	73	123
Deferred share capital	1,729	1,729	1,729
Share premium reserve	10,208	9,172	9,439
Share-based payments reserve	174	174	174
Available for sale asset reserve	454	(29)	(33)
Retained earnings	(10,270)	(9,650)	(10,125)
Total equity	2,671	1,469	1,307

Gunsynd plc
Interim statement of changes in equity - unaudited

For the six months ended 31 January 2017

	Ordinary Share Capital	Deferred share capital	Share Premium	Available for sale asset reserve	Share Based Payment Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unaudited							
At 1 August 2015	73	1,729	9,186	21	174	(9,615)	1,568
Decrease in value of available for sale assets	-	-	-	(50)	-	-	(50)
Loss for the six month period ended 31 January 2016	-	-	-	-	-	(35)	(11)
Total comprehensive loss	-	-	-	(50)	-	(35)	(61)
Cost of share issue	-	-	(14)	-	-	-	(14)
At 31 January 2016	73	1,729	9,172	(29)	174	(9,650)	1,493
Audited							
At 1 August 2015	73	1,729	9,186	21	174	(9,615)	1,568
Increase in value of available for sale assets	-	-	-	(54)	-	-	(54)
Loss for the year	-	-	-	-	-	(510)	(510)
Total comprehensive loss	-	-	-	(54)	-	(510)	(564)
<i>Transactions with owners:</i>							
Issue of share capital	50	-	300	-	-	-	350
Share issue costs	-	-	(47)	-	-	-	(47)
At 31 July 2016	123	1,729	9,439	(33)	174	(10,125)	1,307
Unaudited							
At 1 August 2016	123	1,729	9,439	(33)	174	(10,125)	1,307
increase in value of available for sale assets	-	-	-	487	-	-	487
Loss for the six month period ended 31 January 2017	-	-	-	-	-	(145)	(145)
Total comprehensive loss	-	-	-	487	-	(145)	342
<i>Transactions with owners:</i>							
Issue of share capital	253	-	848	-	-	-	1,101
Cost of share issue	-	-	(79)	-	-	-	(79)
At 31 January 2017	376	1,729	10,208	454	174	(10,270)	2,671

Gunsynd plc
Interim statement of cash flows - unaudited

For the six months ended 31 January 2017

	Unaudited Six months ended 31 January 2017 £'000	Unaudited Six months ended 31 January 2016 £'000	Audited Year ended 31 July 2016 £'000
Cash flows from operating activities			
Loss after tax	(145)	(35)	(510)
Impairment of available-for-sale asset	-	-	301
Operating cash outflow before changes in working capital	(145)	(35)	(209)
Movement in trade and other receivables	10	(165)	(51)
Movement in trade and other payables	(125)	(80)	8
Cash flow from operations	(260)	(280)	(252)
Tax received	-	-	-
Net cash flows used in operating activities	(260)	(280)	(252)
Cash flow from investing activities			
Payments for investments in AFS assets	(882)	-	(145)
Net cash outflow from investing activities	(882)	-	(145)
Cash flows from financing activities			
Proceeds on issuing of ordinary shares	1,101	-	350
Cost of issue of ordinary shares	(79)	(14)	(47)
Net cash inflow from financing activities	1,022	(14)	303
Net decrease in cash and cash equivalents	(120)	(294)	(94)
Cash and cash equivalents at start of period	358	452	452
Cash and cash equivalents at end of period	238	158	358

Notes to the interim report

For the six months ended 31 January 2017

1 Basis of preparation

As permitted IAS 34, 'Interim Financial Reporting' has not been applied to these half-yearly results. The financial information of the Company for the six months ended 31 January 2017 have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS") and are in accordance with IFRS as issued by the IASB. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Company's statutory financial statements for the year ending 31 July 2016.

The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 July 2016 have been derived from the statutory accounts for 2016. The statutory accounts have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under the section 498(2) or 498(3) of the Companies Act 2006.

2 Loss per share

The calculation of the loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Unaudited Six months ended 31 January 2017 £'000	Unaudited Six months ended 31 January 2016 £'000	Audited Year ended 31 July 2016 £'000
Loss on ordinary activities after tax	(145)	(35)	(510)
Weighted average number of shares for calculating basic loss per share	1,778,505,897	724,675,828	941,889,115
Basic and diluted	(0.008)	(0.004)	(0.054)
Basic and diluted loss per share (pence)	(0.008)	(0.004)	(0.054)

However, due to losses incurred in the year there is no dilutive effect from the potential exercise of the share options in existence.

3 Events after the end of the reporting period

There are no events after the end of the reporting period to disclose.

4. Financial Information

The Board of Directors approved this interim report on 2 March 2017.

A copy of this report can be obtained from our website at www.gunsynd.com