

Gunsynd plc

("Gunsynd", or "the Company")

Interim Results for the six months ended 31 January 2019

Chairman's Statement

I am pleased to report the interim results for the six months ended 31 January 2019.

Review of Investments

United Oil and Gas Plc ("UOG")

UOG is an independent oil & gas company established in 2015 by a former Tullow Oil team. Its strategy is to acquire assets where the management team's experience can drive near-term activity and unlock previously untapped value. Recently UOG has been awarded two North Sea licences and has a minority interest in the Colter well. This year OUG is expecting 3D Seismic to be acquired on the Podere Gallina licence in which it has a minority interest, to undertake development drilling at Waddock Cross and acquired 3D data to be processed on its minority interest in a Jamaica licence, ahead of a farm-out process.

Gunsynd currently holds 3.065m shares in UOG representing 0.89% of its issued share capital.

Sale of 2% interest in Horse Hill Developments Limited ("HHDL") to UK Oil and Gas plc ("UKOG")

As announced on 25 September 2018, Gunsynd sold its 2% interest in HHDL to UKOG for a total consideration of £600,000 being 31,171,898 UKOG shares plus £50,000 in cash. As announced on 11 March 2019, Gunsynd has since disposed of 31,171,898 shares in UK Oil and Gas plc ("UKOG") at an average price of 1.405 pence per share for a total consideration of £437,966.

Following this disposal, Gunsynd no longer holds an interest in UKOG.

Sunshine Minerals Limited ("Sunshine")

Sunshine is a nickel and bauxite exploration company focussing on the Solomon Islands. During the period, Metminco Ltd, an ASX listed company, conditionally agreed to acquire 100% of Sunshine. However, they subsequently withdrew from the transaction. Sunshine is currently in talks with interested parties with a view to completing the sale of Sunshine and advancing the project. As announced on December 20, Axiom Mining Limited is seeking judicial review of the decision to award the Jejevo prospecting licence to Sunshine Nickel, Sunshine's 100% owned subsidiary. Axiom's Statement of Claim for judicial review names Sunshine as a defendant alongside the Ministry of Mines, Energy and Rural Electrification and one other party.

Gunsynd currently holds a 19.8% stake in Sunshine Minerals.

Human Brands International, Inc. ("Human Brands")

During the period, Human Brands' main focus was on building and growing its Mazeray business (which is discussed below) and launching its flagship whisky brand, Shinju.

Human Brands' first container of Shinju arrived in the US in November 2018. Human Brands planned a soft launch into two of its key markets, Washington DC/Maryland and Fort Lauderdale, Florida. In just those two markets, with minimal sales and marketing support, Human Brands sold approximately 300 cases of Shinju. A US distributor, Oak Beverage, will launch Shinju into the New York market starting on 1 April 2019. Oak Beverage has roughly 10,000 accounts throughout the State and plans to make Shinju its premier whisky brand in its portfolio. Shinju has been added to the menu at Bloomingdales' flagship location on 5th Avenue in New York City. The brand was also featured at New York City Fashion Week 2019. Fedway, New Jersey's second largest distributor, has committed to take on Shinju distribution.

Two major retailers have also committed to buying Shinju for 2019; Costco, one of the largest alcohol sellers in the US, and Total Wine, plan to start selling Shinju.

In the last half of 2018 Human Brands also focused on building its Mazeray division. Mazeray is Human Brands' division which sells Miolo, a premier Brazilian wine. Human Brands officially acquired Mazeray in March 2018 but did not take full operational control until July 2018. Since then, Human Brands has significantly grown the business. Mazeray was selling into a number of States in the US prior to the acquisition, but since then Human Brands has expanded the brand's distribution into several new States, including Maryland, Nevada, California, Texas, Arizona, Wisconsin and Tennessee.

Human Brands has also spent the past six months working to get ready for the 2019 launch of its flagship Tequila brand, Copa Imperial.

Human Brands is making good progress towards preparing for a proposed listing on the Standard Segment of the Main Market of the London Stock Exchange during 2019 Audits for 3 years prior to 2018 have now been completed and work has begun on the prospectus

Gunsynd has invested approximately £300,000 by way of convertible loan notes in Human Brands.

Oyster Oil and Gas Limited ("Oyster")

Gunsynd invested £250,000 into Oyster by way of a convertible loan on 21 July 2017. In addition to the convertible loan note, Gunsynd holds 2,313,000 ordinary shares in Oyster representing approximately 5.29% of Oyster's issued share capital.

It was announced on 4 March 2019 that Northbay Capital Partners Corp. and Gunsynd had reached conditional agreement ("Agreement") with Oyster to settle aggregate debts of CAD1,426,500 owed to them by Oyster in exchange for the outstanding share capital of Oyster's wholly-owned operating subsidiary, Oyster Oil & Gas Limited ("Subco"), established under the laws of the British Virgin Islands. Northbay and Gunsynd are currently in discussions with a third party to raise money for the Subco to progress further work on the Madagascar licence. We maintain our belief that this asset has great potential. This change in strategy will hopefully see that realised. Advancing this project is now a priority for Gunsynd alongside the Human Brands IPO.

Oyster's production sharing contracts in Madagascar and Djibouti are held through Subco.

The Agreement is subject to the approval of the shareholders of Oyster, which Oyster intends to seek at a meeting of shareholders in the near term. It is also subject to the review and approval of the TSX Venture Exchange.

The future board composition of Subco is still under discussion and a further announcement will be made in due course.

Brazil Tungsten Holdings Limited ("BTHL")

BTHL successfully raised a further US\$2.0m of equity funds during the period. BTHL also settled its outstanding debt with Wogan which will allow it to forge a new commercial offtake agreement. Production has slowed substantially while funds are utilised to complete a staged exploration programme on its existing licence with the main purpose of identifying a resource initially for 2-4 years of production.

BTHL's initial focus will be on re-assaying the existing core samples. There are irregularities regarding the historical logging of the core and the assays. Re-logging and re-assaying the core will give BTHL greater confidence with respect to the surrounding mineralisation.

The team expects the programme to be completed by October 2019.

Gunsynd currently holds approximately 5% in BTHL.

FastBase Inc ("FastBase")

In light of the delayed timetable for the FastBase IPO and the anticipated IPO of Human Brands in addition to recent developments with the Oyster oil and gas asset in Madagascar, Gunsynd has decided at this time to no longer assist

FastBase in conjunction with its listing on the London Stock Exchange and as a consequence will not receive a consultancy fee in return for its assistance. No funds were invested in FastBase and nothing will be written off as a result of this decision. Gunsynd may revisit this in the future.

All of our investments are minority investments. Certain of these investments may seek to IPO. Whilst we may offer advice to management of investee companies in this regard they can and sometimes do ignore such advice. Similarly, private companies don't have the disclosure requirements of public companies and are under no obligation to keep us constantly updated. This seems to be lost on many. Whilst it can be frustrating not least for us, the regulatory hurdles to IPO are substantial and time consuming. There are also market conditions to consider. Together these can severely impact the potential of any IPO. Management may also feel they can achieve a far higher valuation by waiting for an improvement in market timing. This has been very evident lately due to market conditions in general and Brexit uncertainty. All these things can and do impact expectations of timings of any IPO. Decisions are ultimately made by investee companies not by us.

Finance Review

The Company's loss for the period was £248,000 (31 January 2018 - £156,000 loss) mainly attributable to market value revaluation losses of £178,000 (2018: loss of £25,000) mostly arising from our Oyster shareholding.

The Company had net assets at 31 January 2019 of £2,175,000 (31 January 2018: £3,110,000) including cash balances of £543,000 (31 January 2018: £449,000).

During the period, the Company did not raise any equity capital, but managed its cashflow through the existing cash balances and listed investment sales.

Outlook

Whilst conditions have been far from perfect, it is pleasing that we managed to sell our Horse Hill Developments stake and finally made progress on the Oyster situation where we have strengthened our position. We are particularly pleased with progress at Human Brands and excited by its future potential.

The Board would also like to take this opportunity to thank shareholders for their continued support.

Hamish Harris
Chairman

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

The directors of Gunsynd accept responsibility for this announcement.

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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 2019

	Unaudited Six months ended 31 January 2019 £'000	Unaudited Six months ended 31 January 2018 £'000	Audited Year ended 31 July 2018 £'000
Unrealised (loss) on available for sale assets	(178)	(25)	(535)
Realised Profit on available for sale assets	56	-	41
	(122)	(25)	(494)
Administrative and other costs	(139)	(131)	(361)
Share based payment charge	-	-	(100)
Finance income	13	-	16
Loss before tax	(248)	(156)	(939)
Taxation	-	-	-
Loss for the period	(248)	(156)	(939)
Loss for the period and total comprehensive loss attributable to equity shareholders	(248)	(156)	(939)
Other comprehensive income/(expenditure) for the period net of tax	-	-	-
Total comprehensive income/(expenditure) for the period	(248)	(156)	(939)
Loss per ordinary share			
Basic	(0.005)	(0.003)	(0.019)
Diluted	(0.005)	(0.003)	(0.019)

Gunsynd plc
Interim statement of financial position - unaudited
As at 31 January 2019

	Unaudited At 31 January 2019	Unaudited At 31 January 2018	Audited At 31 July 2018
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Available for sale investments	1,592	2,636	2,098
Total non-current assets	1,592	2,636	2,098
Current assets			
Trade and other receivables	207	147	296
Cash and cash equivalents	543	449	337
Total current assets	750	596	633
Total assets	2,342	3,232	2,731
LIABILITIES			
Current liabilities			
Trade and other payables	(167)	(122)	(308)
Total current liabilities	(167)	(122)	(308)
Total liabilities	(167)	(122)	(308)
Net assets	2,175	3,110	2,423
EQUITY			
Equity attributable to equity holders of the company			
Ordinary share capital	489	489	489
Deferred share capital	1,729	1,729	1,729
Share premium reserve	10,536	10,540	10,536
Share-based payments reserve	205	174	234
Retained earnings	(10,784)	(9,822)	(10,565)
Total equity	2,175	3,110	2,423

Gunsynd plc
Interim statement of changes in equity - unaudited
For the six months ended 31 January 2019

	Ordinary Share Capital	Deferred share capital	Share Premium	Share Based Payment Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Unaudited						
At 1 August 2017	489	1,729	10,540	174	(9,666)	3,266
Loss for the six month period ended 31 January 2018	-	-	-	-	(156)	(156)
Total comprehensive loss	-	-	-	-	(156)	(156)
At 31 January 2018	489	1,729	10,540	174	(9,822)	3,110
Audited						
At 1 August 2017	489	1,729	10,540	174	(9,666)	3,266
Loss for the year	-	-	-	-	(939)	(939)
Total comprehensive loss	-	-	-	-	(939)	(939)
<i>Transactions with owners:</i>						
Issue of share capital	-	-	-	-	-	-
Share issue costs	-	-	(4)	-	-	(4)
Share options issued	-	-	-	100	-	100
Share options cancelled	-	-	-	(40)	40	-
At 31 July 2018	489	1,729	10,536	234	(10,565)	2,423
Unaudited						
At 1 August 2018	489	1,729	10,536	234	(10,565)	2,423
Loss for the six month period ended 31 January 2019	-	-	-	-	(248)	(248)
Total comprehensive loss	-	-	-	-	(248)	(248)
<i>Transactions with owners:</i>						
Share options lapsed	-	-	-	(29)	29	-
At 31 January 2019	489	1,729	10,536	205	(10,784)	2,175

Gunsynd plc
Interim statement of cash flows - unaudited
For the six months ended 31 January 2019

	Unaudited Six months ended 31 January 2019	Unaudited Six months ended 31 January 2018	Audited Year ended 31 July 2018
	£'000	£'000	£'000
Cash flows from operating activities			
(Loss)/profit after tax	(248)	(156)	(939)
Finance income net of finance costs	(13)	-	(11)
Unrealised Revaluation of AFS assets	178	25	535
(Loss)/profit on sale of AFS Asset	(56)	-	(41)
Share based payment	-	-	100
Operating cash outflow before changes in working capital	(139)	(131)	(356)
Movement in trade and other receivables	89	339	190
Movement in trade and other payables	(141)	(55)	141
Cash flow from operations	(191)	153	(25)
Tax received	-	-	-
Net cash flows used in operating activities	(191)	153	(25)
Cash flow from investing activities			
Payments for investments in AFS assets	(100)	(76)	(365)
Disposal proceeds from sale of AFS asset	497	-	358
Finance income	-	-	11
Net cash outflow from investing activities	397	(76)	4
Cash flows from financing activities			
Cost of issue of ordinary shares	-	-	(14)
Net cash inflow from financing activities	-	-	(14)
Net (decrease)/increase in cash and cash equivalents	206	77	(35)
Cash and cash equivalents at start of period	337	372	372
Cash and cash equivalents at end of period	543	449	337

Notes to the interim report
For the six months ended 31 January 2019

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 2019 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 2018.

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 2018 have been derived from the statutory accounts for 2018. 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 2019	Unaudited Six months ended 31 January 2018	Audited Year ended 31 July 2018
	£'000	£'000	£'000
Loss on ordinary activities after tax	(248)	(156)	(939)
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share (millions)	4,882.9	4,882.9	4,882.9
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share (millions)	5,224.6	4,915.5	5,225.6
Basic (loss)/earnings per share (expressed in pence)	(0.005)	(0.003)	(0.019)
Diluted (loss)/earnings per share (expressed in pence)	(0.005)	(0.003)	(0.019)

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

None noted

4. Financial Information

The Board of Directors approved this interim report on 15 March 2019.

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