

Gunsynd plc

("Gunsynd", or "the Company")

Interim Results for the six months ended 31 January 2022

Chairman's Statement

I am pleased to report the interim results for the six months ended 31 January 2022.

Review of Investments

Low 6 Limited ("Low6")

Low6 completed US\$5 million financing during January and February 2022 supported by existing shareholders, together with new sophisticated North American investors. As announced on 2 February 2022, Low6 entered into a binding letter of agreement with 1319735 B.C. Ltd. ("735"), a British Columbian corporation with a view to undertaking a transaction that would result in a reverse takeover of 735 by Low6 while at the same time pursuing a listing of the combined entity on the TSX Venture Exchange.

Gunsynd holds 6,667 shares (for approximately £200,000 together with a £65,000 convertible loan note).

The key growth drivers for new business in the coming years is Low6's iGaming white label technology platform and this has already helped Low6 achieve a major new business milestone. Low6 has won a seven-figure contract to become the official supplier of "free to play" games for an iGaming provider for the next two years, with an option to extend for a third.

Rincon Resources Pty Ltd ("Rincon")

Gunsynd holds 8.9 million shares representing approximately 17% of Rincon's issued share capital.

Rincon is a Western Australian ("WA") focussed gold and base metals exploration company quoted on the ASX. It holds the rights to three highly prospective gold and copper projects in WA, with a main focus on the South Telfer Project, covering 50,000-hectares in Paterson province.

During the period, the 5,000m Phase 2 reverse circulation ("RC") and diamond drilling ("DD") programme at Hasties has recommenced. DD drilling is set to test the 'Hasties Deeps' target area1, 300m below surface. The Phase 2 drilling programme initially commenced in December 2021, with 7 RC holes completed for 1,476m. Approximately 3,000m remains to be drilled, including up to 8 RC and 2 DD holes.

Eagle Mountain Mining Limited ("Eagle Mountain")

Gunsynd holds 2.5 million shares in Eagle Mountain representing approximately 1% of its issued share capital.

Eagle Mountain Mining Limited (ASX:EM2), is a copper focused exploration and development company with a key objective of becoming a low emission producer at its high-grade Oracle Ridge project in Arizona, USA, to supply the rapidly growing green energy market.

During the period, the Eagle Mountain updated its JORC Mineral Resource Estimate ("MRE") for the Oracle Ridge Copper Project. Using a 1.0% Cu cut-off grade, the company delivered an updated figure of 17.0 Mt grading 1.48% Cu, 15.09g/t Ag and 0.17g/t Au for 251,000t of contained copper, 8.2Moz of silver and 93Koz of gold. Compared to the previous MRE, contained copper increased by 36% with a 39% increase in tonnes. Furthermore, since the MRE cut-off date, a further 60 holes have been completed that were not included in the resource.

Eagle Mountain continues to be well funded following completion of a AUD\$16m equity financing in early April 2022.

Rogue Baron Limited ("Rogue Baron")

Rogue Baron PLC (AQSE: SHNJ) is a leading company in the premium spirit sector which listed on the Access segment of the AQSE Growth Market on 12 March 2021. Gunsynd currently holds 21,543,563 ordinary shares in Rogue Baron,

representing approximately 24% of its issued share capital. Gunsynd also retains a balance of £111,464 of Convertible Loan Notes consisting of accrued interest.

Rogue Baron's flagship Shinju Whisky won two medals in October 2021 including a double gold with a perfect score of 100 when voted best whisky at the 2021 Sante' International Spirit Competition. During the period Rogue Baron closed down the smaller of its two Washington DC bars to concentrate on the new and much larger venue (De Rhum Spot). In November Shinju won another gold medal, this time at the prestigious John Barleycorn awards.

In April 2022, Rogue Baron announced it had secured new distribution deals in both the UK and Spain for Shinju.

Charger Metals Limited ("Charger")

Gunsynd currently holds 3,000,000 shares in Charger representing approximately 6% of Charger's issued share capital, of which 1,200,000 shares are subject to an escrow period of 24 months following its IPO on 7 July 2021.

Charger is a Western Australian ("WA") focussed base metals (Ni,Cu,Co-PGE) and lithium exploration company which currently holds three highly prospective projects in WA and the Northern Territory ("NT") in Australia. Charger has an 85% interest in the Coates North Project and 70% interest in the adjacent Coates Ni-Cu-Co-PGE Project (WA), 70% interest in the Lake Johnson Lithium and Gold Project (WA) and 70% interest in the Bynoe Lithium and Gold Project (NT).

In March 2022, Charger announced its drilling schedule for the Coates North Project and the Coates Ni-Cu-Co-Au-PGE Project (together "Coates Project"), located 65km northeast of Perth, Western Australia. The Coates Project contains a mafic intrusive complex within the Jimperding Metamorphic Belt, which also hosts the 17Moz PdEq Julimar - Gonville nickel-copper-PGE Project owned by Chalice Mining Ltd (ASX: CHN) and located 28km NW of the Coates Project. Charger announced in April 2022 that it expects the maiden drill programme to commence shortly at the Coates Project, with five diamond core drill holes planned to test conductor targets for economic mineralisation.

First Tin Limited ("First Tin") Formerly Anglo Saxony Mining Limited ("ASM")

In March 2021, Gunsynd invested £125,000 in ASM, a now public tin development and exploration company, as part of a wider £6m funding round. In April 2022, Gunsynd invested a further £75,000 in the IPO of First Tin which was part of a £20,000,000 IPO fundraise.

First Tin, a tin development company with advanced, low capex projects in Germany and Australia, commenced trading of its ordinary shares to trading on the Main Market of the London Stock Exchange on 8 April 2022, with the TIDM 1SN.

First Tin plans to establish sustainable tin production and processing from the Tellerhäuser Mine in Saxony, Germany. The Tellerhäuser Mine has a 50-year mining licence granted in 2020 with final permitting well advanced.

Pacific Nickel Limited ("Pacific Nickel")

During the period Pacific Nickel made good progress on its two tenements in the Solomon Islands. In October 2021 it announced an initial JORC resources estimate for its Jejevo licence. In September it commenced stage two infill drilling at its Kolosori tenement. In October 2021 it announced that 90 infill holes had been drilled as part of the second stage 151-hole drill programme designed to increase the confidence of the existing mineral resource estimate of 5.89Mt at 1.55% Ni at 1.2% Ni cut off and that discussions with potential Direct Ship Ore ("DSO") off-take partners had commenced.

Pacific Nickel successfully raised AUD\$5.25m in October 2021 to advance both its Solomon Islands projects. In November 2021, it announced both assay results from 27 drill holes at Kolosori and an executive summary of a scoping study for its Kolosori DSO project. In December 2021, Pacific Nickel announced that it had initiated an early works programme. This programme was successfully completed in March 2022. Finally in April 2022, Pacific Nickel advised it had received a number of proposals with respect to offtake agreements for its Kolosori project and that its mining lease application was under consideration by the Solomon Islands government.

Oscillate plc (“Oscillate”)

Oscillate is an investment company listed on the AQSE Growth Market Exchange with the ticker, AQSE: MUSH. In April 2021, Gunsynd invested £200,000 into Oscillate being 10 million shares at 2p representing circa 4.5% of Oscillate. Other than a change at board level, very little has happened since the year end.

Oyster Oil and Gas Limited ("Oyster")

Gunsynd has a holding valued at £130k, and there has been no material change since year end. The rising oil price gives the Company confidence of restoring value. Gunsynd will update the market as and when material developments occur.

Overview

All of our investments are minority investments. 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 regularly updated. It should be noted that the Company does not operate its investment projects/companies on a day-to-day basis and whilst the Board looks to structure investments in a format where Gunsynd can obtain a high level of oversight (including at board level) and use legal agreements to provide control mechanisms to protect the Company's investments, there is a risk that the operator does not meet deadlines or budgets, fails to pursue the appropriate strategy, does not adhere to the legal agreements in place or does not provide accurate or sufficient information to Gunsynd. Decisions are ultimately made by investee companies and not by Gunsynd.

The level of administrative costs in the year can fluctuate significantly depending on the level of costs in the Company and can fluctuate significantly depending on the level of activity, both with regard to the due diligence work carried out on investments and disposals, and in managing project investments.

Finance Review

The Company's loss for the period was £310,000 (31 January 2021: £1,032,000 profit). The realised and unrealised market valuation on financial investments for the period was a loss of £56,000 (31 January 2021: £1,280,000 gain).

The Company had net assets at 31 January 2022 of £5,993,000 (31 January 2021: £4,848,000) including cash balances of £1,082,000 (31 January 2021: £1,000,000).

Outlook

We previously stated “Debate lingers over whether the effects are a temporary hiccup or the harbinger of structural changes. We are far from convinced that the current inflation level is just a blip, hence our positioning towards gold and copper.” We stand by that. The policy response by politicians the world over to Covid has now clearly been shown to have been vastly overdone. With governments lacking the courage to curtail spending and with central banks very aware that sustained interest rate increases may well cause a recession and possibly even a sovereign debt crisis, we believe that on the balance of probabilities the base case is for inflation to remain higher than in recent years and commodity prices to remain elevated for at least the medium term if not longer. Whilst at the junior resource company level in the UK there is clearly a disconnect between commodity and share prices, history tells us that at some stage reversion to mean will occur i.e. either share prices go up or commodity prices will fall. We believe the former is more likely than the latter.

As a well known investor once said “*Price is what you pay, and value is what you get*”.

The Board continues to look at investments in line with its investment policy as highlighted on its website. Such investment(s) may or may not lead to a reverse takeover.

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

Hamish Harris
Chairman

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of 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 2022

	Unaudited Six months ended 31 January 2022 £'000	Unaudited Six months ended 31 January 2021 £'000	Audited Year ended 31 July 2021 £'000
Unrealised (loss)/gain on financial investments	(170)	1,166	2,371
Realised gain on financial investments	114	114	236
	(56)	1,280	2,607
Administrative and other costs	(254)	(252)	(523)
Impairment of financial investments	-	-	(130)
Write down of convertible loan notes	-	-	(2)
Share based payment charge	-	(25)	(24)
Other income	-	-	26
Finance income	-	29	58
(Loss)/profit before tax	(310)	1,032	2,012
Taxation			
(Loss)/profit for the period	(310)	1,032	2,012
(Loss)/profit for the period and total comprehensive (loss)/profit attributable to equity shareholders	(310)	1,032	2,012
Other comprehensive (expenditure)/income for the period net of tax	-	-	-
Total comprehensive (expenditure)/income for the period	(310)	1,032	2,012
(Loss)/earnings per ordinary share			
Basic	(0.069)	0.341	0.558
Diluted	(0.069)	0.256	0.428

Gunsynd plc

Interim statement of financial position – unaudited

As at 31 January 2022

	Unaudited At 31 January 2022	Unaudited At 31 January 2021	Audited At 31 July 2021
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Financial investments	4,817	3,704	5,124
Trade and other receivables	-	49	-
Total non-current assets	4,817	3,753	5,124
Current assets			
Trade and other receivables	156	185	174
Cash and cash equivalents	1,082	1,000	1,071
Total current assets	1,238	1,185	1,245
Total assets	6,055	4,938	6,369
LIABILITIES			
Current liabilities			
Trade and other payables	(62)	(90)	(66)
Total current liabilities	(62)	(90)	(66)
Total liabilities	(62)	(90)	(66)
Net assets	5,993	4,848	6,303
EQUITY			
Equity attributable to equity holders of the company			
Ordinary share capital	382	332	382
Deferred share capital	2,299	2,299	2,299
Share premium reserve	13,459	13,033	13,459
Share-based payments reserve	131	216	131
Retained earnings	(10,278)	(11,032)	(9,968)
Total equity	5,993	4,848	6,303

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Interim statement of changes in equity – unaudited For the six months ended 31 January 2022

	Ordinary Share Capital	Deferred share capital	Share Premium	Share Based Payment Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Unaudited (restated)						
At 31 July 2020	216	2,299	11,828	192	(12,065)	2,470
Profit for the six month period ended 31 January 2021	-	-	-	-	1,032	1,032
Total comprehensive income for the period	-	-	-	-	1,032	1,032
Issue of share capital	116	-	1,261	-	-	1,377
Share issue costs	-	-	(56)	-	-	(56)
Share options issued	-	-	-	25	-	25
Share options lapsed	-	-	-	(1)	1	-
At 31 January 2021	332	2,299	13,033	216	(11,032)	4,848

Audited

At 31 July 2020	216	2,299	11,828	192	(12,065)	2,470
Profit for the year	-	-	-	-	2,012	2,012
Total comprehensive income for the year	-	-	-	-	2,012	2,012
<i>Transactions with owners:</i>						
Issue of share capital	166	-	1,690	-	-	1,856
Share issue costs	-	-	(59)	-	-	(59)
Share options issued	-	-	-	24	-	24
Share options lapsed	-	-	-	(84)	84	-
Transfer within Equity	-	-	-	(1)	1	-
At 31 July 2021	382	2,299	13,459	131	(9,968)	6,303
Unaudited						
At 31 July 2021	382	2,299	13,459	131	(9,968)	6,303
Loss for the six month period ended 31 January 2022	-	-	-	-	(310)	(310)
Total comprehensive expenditure for the period	-	-	-	-	(310)	(310)
At 31 January 2022	382	2,299	13,459	131	(10,278)	5,993

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Interim statement of cash flows – unaudited
For the six months ended 31 January 2022

	Unaudited Six months ended 31 January 2022	Unaudited Six months ended 31 January 2021	Audited Year ended 31 July 2021
	£'000	£'000	£'000
Cash flows from operating activities			
(Loss)/profit after tax	(310)	1,032	2,012
Finance income net of finance costs	-	(29)	(58)
Unrealised (gain)/loss on revaluation of financial investments	170	(1,166)	(2,371)
Realised (gain)/loss on sale of financial investments	(114)	(114)	(236)
Share based payments	-	25	24
Impairment provision	-	-	130
Write down of convertible loan notes	-	-	2
Foreign exchange movements	-	-	3
Operating cash flow before changes in working capital	(254)	(252)	(519)
Movement in trade and other receivables	18	1	7
Movement in trade and other payables	(4)	(8)	(32)
Cash flow from operations	(240)	(259)	(519)
Tax received	-	-	-
Net cash flows from operating activities	(240)	(259)	(519)
Cash flow from investing activities			
Payments for financial investments	(44)	(1,396)	(2,143)
Disposal proceeds from sale of financial investments	295	-	1,042
Repayment of loans to investee company	-	-	62
Unsecured loans to investee company	-	(25)	(6)
Net cash flow from investing activities	251	(900)	(1,045)
Cash flows from financing activities			
Proceeds on issuing of ordinary shares	-	1,377	1,856

Cost of issue of ordinary shares	-	(56)	(59)
Net cash flow from financing activities	-	1,321	1,797
Net increase/(decrease) in cash and cash equivalents	11	162	233
Cash and cash equivalents at start of period	1,071	838	838
Cash and cash equivalents at end of period	1,082	1,000	1,071

Notes to the interim report

For the six months ended 31 January 2021

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 2022 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 2021.

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 2021 have been derived from the statutory accounts for 2021. 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 Earnings 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 2022	Unaudited Six months ended 31 January 2021	Audited Year ended 31 July 2021
	£'000	£'000	£'000
(Loss)/profit on ordinary activities after tax	(310)	1,032	2,012
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share (millions)	449.80	302.58	362.57
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share (millions)	543.76	403.95	470.73
Basic (loss)/earnings per share (expressed in pence)	(0.069)	0.341	0.558
Diluted (loss)/earnings per share (expressed in pence)	(0.069)	0.256	0.428

However, due to losses incurred in the half 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

4. Financial Information

The Board of Directors approved this interim report on **DD MMMM 2022**.

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