Interim Results

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Golden Saint Resources Ltd
27 September 2013

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Golden Saint Resources Ltd

("GSR" or the "Company")

Interim Results

Golden Saint Resources Ltd, the West African diamond and gold exploration company is pleased to announce its Interim Results for the period to 30 June 2013.

Chairman's Interim Report

It gives me great pleasure to be able to address shareholders for the first time since Golden Saint Resources Ltd ("GSR" or the "Company") was admitted to AIM on 19 July 2013, and to report the progress made by your Company since then.

Immediately prior to the flotation on 19 July 2013, 34,972,000 ordinary shares were issued at 10p per share raising a total of £3,497,200 for the Company. Prior to this in June 2013, the Company had raised £500,000 at 8p per share and £20,000 at 10p per share as seed capital. As a company, we have done very well to raise a total of £4,017,200 during a period when the resource markets are going through some very difficult times. On admission to AIM there were 420,172,001 ordinary shares in issue giving the Company a market capitalisation of £42,017,200 at the placing price of 10p per share. Since the first day of trading on AIM to date (being 25 September 2013) GSR has been trading at a premium to the placing price which reflects the continuing confidence of our investors.

The Company's exploration activities are conducted through its 75% owned subsidiary Golden Saint Resources (Africa) Limited (GSR Africa). GSR Africa is engaged in exploration activities for diamonds and gold in three different areas in Sierra Leone, being the Tongo licence area, located northeast of Kenema and which is prospective for diamonds, the Baja licence area, located 52Km from Bo and which is prospective for gold and diamonds, and the Moa licence area, located southwest of Kenema. The Moa licence area is known for its gold mineralisation with the Kambui Hills greenstone belt and alluvial gold and diamond resources within the Moa river drainage.

In moving ahead with its operations, GSR Africa has taken a two year lease for its mining operations in a house in Freetown which is currently undergoing refitting to serve as a mining office as well as in country accommodation.

Our head office is also located in Freetown on Wellington Street, which is utilised as a diamond procuring office. GSR Africa is in the process of obtaining its export licence (which includes a small scale mining licence) for both alluvial diamonds and alluvial gold. Procuring of the diamonds from the local artisanal miners will be done at the Wellington Street office. GSR Africa has lodged the alluvial diamond export licence application with Government Gold and Diamond Office / Ministry of Mines and Mineral Resources and is awaiting approval. A highly experienced diamond procurer and sorter has recently been employed by GSR Africa on a 3 month contract basis.

On the exploration side, the airborne magnetic/radiometric survey over the three licence areas by Geotech International has been commissioned and applications for the required permits have been lodged with Government, with flight planning and logistics in Sierra Leone already underway. The flight is expected in October 2013 once the rains ease.

Our first results from the early 2013 pit sampling from the Baja, Moa and Tongo licence areas which were sent to SGS South Africa for indicator analysis, are expected in the fourth quarter of 2013. Also, two local Sierra Leone geologists have been appointed by our CEO, Nick Burn to assist in the exploration work on the ground as he begins to build his team.

In our Admission Document dated 15 July 2013, the Company expressed its intention to achieve near term revenue from alluvial diamonds and gold. GSR intends to cut, polish and have its finished product graded by Gemmological Institute of America (GIA), and be in a position to offer the polished diamonds to its shareholders to purchase prior to selling them more widely.

On 10 September 2013 the Company's newly incorporated, wholly owned subsidiary, Golden Saint Resources (Australia) Pty Ltd, executed a memorandum of understanding ("MOU") with Solid Gold Jewellers Pty Ltd as Trustee for the Essgee unit trust trading as Adamas Australia ("Solid Gold") for the evaluation and assessment of the Company's initial shipments of rough diamonds from Sierra Leone. Solid Gold, which is located in Perth, Western Australia, will be responsible for valuing the rough diamonds, advising on and managing the cutting and polishing of the rough diamonds and advising on the market value of the polished and cut product, including obtaining the required GIA certification. Once certified and inscribed (by laser) with the initials 'GSR' the diamonds will be returned to GSR for marketing and sale. The MOU is not exclusive and can be terminated by either party on reasonable notice.

Solid Gold Jewellers Pty Ltd is one of the most recognised jewellers in Western Australia. Since its inception in 1983, Solid Gold Jewellers Pty Ltd has grown to become the premiere diamond retailer in the state, with over 50 staff including a team of over 20 master-crafts people. It has experience at all levels of the supply chain of bringing rough diamonds through to the retail polished stone market, including providing expertise in the valuation of rough diamonds, the assessment of rough diamonds for cutting and polishing and the management of the processes of bringing the rough diamond to a marketable condition.

The Directors estimate that it will take approximately 90 days from receipt of the rough uncut diamonds by Solid Gold, to cut, polish and grade; however the Board will be able to provide a more accurate estimate on timing once the first round of diamonds have been processed by Solid Gold.

Once the Company has been granted its export licences for its three licence areas your Board is confident that GSR will be in a position to ship out alluvial diamonds from Sierra Leone on a regular basis which will augur well for the cash flow of the Company.

On 1 July 2013 GSR acquired 75% of the share capital of GSR Africa in consideration for ordinary shares issued to Golden Saint Australia

Limited, the previous holder of the investment in GSR Africa. As at the date of this report, the financial results of GSR and GSR Africa are not consolidated as the Company did not have ownership of GSR Africa.

For the six month period to 30 June 2013, GSR Africa recorded a loss of USD $72,162 (2012:USD $7,179), largely relating to administrative expenses. The net liabilities of the company increased from USD $70,834 to USD $158,489. Additional exploration expenditure capitalised in the balance sheet during the six months was USD $33,998 relating to direct license acquisition and maintenance costs.

Since incorporation on 19 March 2013 through to 30 June 2013, GSR recorded a loss USD $551,952, of which USD $533,062 relates to listing and capital raising costs and USD $18,890 relates to administrative expenses. The Company recorded net liabilities as at the reporting date of USD $551,952. Since this time the Company has improved its financial position through the raising of capital and listing on AIM.

I look forward to providing shareholders with further updates with regard to our operations in Sierra Leone as the rains dry up and we are able to move a little more aggressively on both our alluvial production and exploration agenda.

Cyril D'Silva

Executive Chairman

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Interim Statement of Comprehensive Income for the period 19 March 2013 to 30 June 2013

(Golden Saint Resources Ltd was incorporated on 19 March 2013)

	Notes	19 March to 30 June 2013 (Unaudited) USD
Listing expenses	5	(533,062)
Administrative expenses	6	(18,890)
(Loss) / Income before tax		(551,952)
Income tax expense	7	-
Loss for the period and total comprehensive loss for the period attributable to shareholders		**(551,952)**

The accompanying notes form part of these financial statements

Interim Statement of Financial Position as at 30 June 2013

ASSETS	Notes	30 June 2013 (Unaudited) USD
Current Assets		
Cash & cash equivalents	8	563,192
Total Current Assets		**563,192**

Total Assets		**563,192**
LIABILITIES		
Current Liabilities		
Trade creditors	9	897,409
Borrowings	10	217,735
Total Current Liabilities		**1,115,144**
Net Liabilities		**(551,952)**
EQUITY		
Share capital	13	-
Accumulated losses		(551,952)
Total equity		**(551,952)**

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the period 19 March 2013 to 30 June 2013

	Share Capital (Unaudited) USD	Accumulated Losses (Unaudited) USD	Total (Unaudited) USD
Balance as at 19 March 2013	-	-	-
Proceeds from share issued	-	-	-
Total comprehensive loss for the period	-	(551,952)	(551,952)
Balance as at 30 June 2013	**-**	**(551,952)**	**(551,952)**

The accompanying notes form part of these financial statements

Interim Statement of Cash Flows for the period 19 March to 30 June 2013

	Notes	2013 (Unaudited) USD
Cash flow from operating activities		
Losses before tax for the period		(551,952)
Adjustments to reconcile net loss before income tax		
Net increase in trade creditors		116,209
Net cash outflow from operating activities		**(435,743)**

Cash flow from financing activities		
Proceeds from the issuance of ordinary share		-
Proceeds from Shares application pre admission	9	781,200
Proceeds of loan	10	217,735
Net cash inflow from financing activities		**998,935**
Net increase in cash and cash equivalents		563,192
Cash & cash equivalents at the beginning of the period		-
Cash & cash equivalents at the end of the period		**563,192**

The accompanying notes form part of these financial statements

1. **Company and principal activities**

Golden Saint Resources Ltd ("Golden Saint") was incorporated on 19 March 2013 in the British Virgin Islands and is a company limited by shares. The address of its registered office is 171 Main St, Road Town, Tortola, VG 1110.

The interim financial statements for the period 19 March 2013 to 30 June 2013 have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. These financial statements are unaudited.

Golden Saint Resources Ltd, through its 75% subsidiary Golden Saint Resources (Africa) Limited holds three exploration licenses in Sierra Leone. Golden Saint Resources Ltd has a two part strategy to establish the company as a diamond and gold producer in Sierra Leone. Firstly to commence near term small scale alluvial diamond and gold mining at the Baja exploration license area and secondly to identify gold and diamond assets on all of the exploration licenses areas for large scale mining.

2. **Adoption of new and revised standards**

The following statements, amendments and interpretations relevant to Golden Saint's operations that have not been applied in the historical financial information, were in issue but not yet effective or endorsed:

- IAS 27 - Separate Financial Statements (effective beginning on or after 1 January 2014)
- IAS 32 - Financial Instruments (effective beginning on or after 1 January 2014)
- IAS 36 - Impairment of assets (effective beginning on or after 1 January 2014)
- IFRS 10 - Consolidated Financial Statements (effective beginning on or after 1 January 2014)
- IFRS 12 - Disclosure of Interests in Other Entities (effective beginning on or after 1 January 2014)

The Directors anticipate that the adoption of these standards and interpretations will not have a material impact on the financial statements of Golden Saint in the period of initial adoption.

3. **Basis of preparation and significant accounting policies**

(a) Basis of preparation

The interim financial statements have been prepared under the historical cost convention in accordance with applicable International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretation Committee (IFRIC) interpretations (collectively IFRSs) as issued by the International Accounting Standards Board.

(b) Financial Instruments

i) Financial assets

Financial assets are classified as 'loan and receivables', available for sale financial assets' or 'financial assets where changes in fair value are charged or credited through the profit or loss'.

Loans and receivables include other receivables and cash and cash equivalents. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost.

ii) Financial liabilities
Financial liabilities are classified as 'fair value through profit or loss' or other financial liabilities.

Other financial liabilities include borrowings and other payables and are initially recognised at fair value and then carried at amortised cost. Other payables arise principally from the receipt of goods and services and borrowings relate to the interest free loan from related parties.

(c) Foreign currency

The functional and presentational currency of Golden Saint is United States Dollars ("USD"). In preparing these interim financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rate prevailing at balance sheet date

Exchange differences arising on the settlements of the monetary items and on the retranslation of monetary items are included in the statement of comprehensive income for the period.

4. Segmental reporting

In assessing performance and making resource allocation decisions, the Directors (its chief operating decision-making body) consider the business as a single operating unit, being that of a holding company. Accordingly, no segmental analysis is presented in these interim financial statements.

5. Listing Expenses

	2013 USD
Listing Expenses	533,062

On 19 July 2013,the company's shares were admitted to the AIM Market of London Stock Exchange. Listing expenses represent costs paid and accrued at balance sheet date.

6. Administrative Expenses

	2013 USD
Administrative Expenses	18,890

These expenses relate mainly to unrealised foreign exchange difference.

7. Taxation

Since incorporation the Company has been managed and controlled from outside the United Kingdom and it is anticipated that it will continue to be managed and controlled from outside the United Kingdom. It is anticipated that it will be considered to be a non-resident of the United Kingdom for tax purposes.

8. Cash & cash equivalents

	2013 USD
Cash & cash equivalents	563,192

The balance of cash and cash equivalents relate to proceeds from share applications pre-admission to AIM, and cash used in operations.

9. Trade and other payables

	2013 USD
Trade Creditors	53,686
Accrued Expenses	62,523
Share Applications-Pre Admission	781,200
	897,409

Share application relate to funds received through the issue of 6,250,000 ordinary shares at the subscription price of 8 pence per share as unconditional pre-admission funding.

10. Borrowing

	2013 USD
Current	
Loan from related party	217,735

Refer to note 14 for further detail.

11. Capital management

The Directors' objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop it activities to provide returns for shareholders and benefits for other stakeholders.

Golden Saint Resources Ltd's capital structure comprises of debt and equity.

12. Financial instruments

In common with other businesses, Golden Saint Resources Ltd is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 3.

Golden Saint Resources Ltd is not exposed to interest-bearing indebtedness.

Principal financial Instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

Financial Liabilities	2013 USD
Borrowings	217,735

The fair value of the financial instruments at reporting date approximates to book value.

13. Share capital

	2013 USD
Ordinary shares available for issue	
Ordinary shares of nil par value (number)	Unlimited
Issued share capital	
Ordinary shares of nil par value (number)	1

	2013 USD
Issued and paid up share capital	0.02

On 8 April 2013 one share of nil par value was issued to Cyril D'Silva, a director of the company, for £0.01.

14. Related Party Transaction

	2013 USD
Loan from Golden Saint Australia Limited	217,735

The loan is interest free and had no fixed repayment date.

15. Post Balance Sheet Events

On 7 July 2013 the company issued 6,250,000 ordinary shares at a subscription price of 8 pence per share (Seed capital).

Pursuant to a share exchange agreement dated 1 July 2013 between the Company and Golden Saint Australia Limited, the Company acquired 75 shares of Le10,000 each in the issued share capital of Golden Saint Resources (Africa) Limited in consideration for the issue of 378,750,000 ordinary shares of no par value in the capital of the Company at a price of 12 pence per ordinary share.

The Company has granted a warrant to Beaumont Cornish to subscribe for ordinary shares at an exercise price of 10 pence per Ordinary Share.

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Interim Statement of Comprehensive Income for the six months ended 30 June 2013

	Notes	6 months to 30 June 2013 (Unaudited) USD	6 months to 30 June 2012 (Unaudited) USD
Revenue		-	-
Administrative expenses	5	(72,162)	(7,179)
Loss before income tax expense		**(72,162)**	**(7,179)**
Income tax expense	11	-	-
Loss for the period and total comprehensive loss for the period attributable to shareholders		**(72,162)**	**(7,179)**

The accompanying notes form part of these financial statements

Interim Statement of Financial Position as at 30 June 2013

	Notes	6 months to 30 June 2013 (Unaudited) USD	6 months to 30 June 2012 (Unaudited) USD
ASSETS			
Current Assets			
Cash & cash equivalents		8,349	-
Non-Current Assets			
Intangible assets	6	97,741	63,743
Total assets		**106,090**	**63,743**
LIABILITIES			
Non-Current Liabilities			
Borrowings	7	264,579	134,577
Total Non-Current Liabilities		**264,579**	**134,577**

Net Liabilities		**(158,489)**	**(70,834)**
EQUITY			
Share capital	10	256	256
Accumulated losses		(158,745)	(71,090)
Total Equity		**(158,489)**	**(70,834)**

The accompanying notes form part of these financial statements

Statement of Changes in Equity for six months ended 30 June 2013

	Share Capital (Unaudited) USD	Accumulated Losses (Unaudited) USD	Total (Unaudited) USD
Balance as at 31 December 2011	256	(63,911)	(63,655)
Total comprehensive loss for the period		(7,179)	(7,179)
Balance as at 30 June 2012	**256**	**(71,090)**	**(70,834)**
Total comprehensive loss for the period		(15,493)	(15,493)
Balance as at 31 December 2012	**256**	**(86,583)**	**(86,327)**
Total comprehensive loss for the period		(72,162)	(72,162)
Balance as at 30 June 2013	**256**	**(158,745)**	**(158,489)**

The accompanying notes form part of these financial statements

Statement of Cash flows for the six months ended 30 June 2013

	Notes	2013 (Unaudited) USD	2012 (Unaudited) USD
Cash flow from operating activities			
Losses before tax for the period		(72,162)	(7,179)
Adjustments to reconcile net loss before income tax			
Net decrease in prepayment		-	33,993
Net cash outflow from operating activities		**(72,162)**	**26,814**
Cash flow from investing activities			

Purchase of intangible assets	6	(33,998)	(33,993)
Net cash outflow from investing activities		**(33,998)**	**(33.993)**
Cash flow from financing activities			
Proceeds of borrowings	7	102,698	7179
Net cash inflow from financing activities		**102,698**	**7179**
Net decrease in cash and cash equivalents		(3,462)	-
Cash & cash equivalents at the beginning of the period		11,811	-
Cash & cash equivalents at the end of the period		**8,349**	**-**

The accompanying notes form part of these financial statements

1. **Company and principal activities**

   Golden Saint Resources (Africa) Limited was incorporated on 30 September 2010 in Sierra Leone and is a company limited by shares. The address of its registered office is 65 Siaka Stevens Street, Freetown, Sierra Leone. Golden Saint Resources (Africa) Limited's parent company and historical ultimate beneficial owner is Golden Saint Australia Limited.

   The interim financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. These financial statements are unaudited.

   Golden Saint Resources (Africa) Limited's principal activity is the exploration of diamonds and gold resources in Sierra Leone.

2. **Adoption of new and revised standards**

   The following statements, amendments and interpretations are effective for reporting periods beginning after 1 January 2013, which have not been adopted early:

   - IAS 27 - Separate Financial Statements (effective beginning on or after 1 January 2013)
   - IAS 28 - Investments in Associates and Joint Ventures (effective beginning on or after 1 January 2013)
   - IFRS 10 - Consolidate Financial Statements (effective beginning on or after 1 January 2013)
   - IFRS 11 was issued in May 2011 and applies to annual reporting periods beginning on or after 1 January 2013.
   - IFRS 11 *Joint Arrangements* outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractual agreed sharing of control and arrangements subject to joint control are classified as either a joint venture (representing a share of net assets and equity accounted) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly).
   - IFRS 12 - Disclosure of Interests in Other Entities (effective beginning on or after 1 January 2013)
     IFRS 13 - Fair Value Measurement (effective beginning on or after 1 January 2013)

   The Directors anticipate that the adoption of these standards and interpretations will not have a material impact on the financial statements of Golden Saint Resources (Africa) Limited in the period of initial adoption.

3. **Basis of preparation and significant accounting policies**

   The principal accounting policies applied in the preparation of the interim financial statements are set out below. These policies have been applied consistently to all periods presented unless otherwise stated.

(a) Basis of preparation

The interim financial statements has been prepared under the historical cost convention in accordance with applicable International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretation Committee (IFRIC) interpretations (collectively IFRSs) as issued by the International Accounting Standards Board.

(b) Financial instruments

Financial assets

Financial assets are classified as 'loan and receivables', available for sale financial assets' or 'financial assets where changes in fair value are charged or credited through the profit or loss'.

Loans and receivables include other receivables and cash and cash equivalents. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost.

Financial liabilities

Financial liabilities are classified as 'fair value through profit or loss' or other financial liabilities.

Other financial liabilities include borrowings and other payables and are initially recognised at fair value and then carried at amortised cost. Other payables arise principally from the receipt of goods and services and borrowings relate to the interest free loan from related parties.

(c) Foreign currency

The functional and presentational currency of Golden Saint Resources (Africa) Limited is United States Dollars ("USD"). In preparing this historical financial information, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rate prevailing at balance sheet date.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in profit or loss in the period.

(d) Intangible assets - exploration costs

Exploration costs comprise costs associated with the acquisition of mineral rights and mineral exploration, and are capitalised as assets pending the feasibility of the

project in accordance with IFRS6 (Exploration for and Evaluation of Mineral Resources). They also include certain administrative costs that are allocated to the extent that those costs can be related directly to exploration activities.

If an exploration project is deemed successful based on feasibility studies, the assets are amortised over the estimated useful life of the reserves on a unit of production basis. Where a project is abandoned or considered to be no longer economically viable, the related costs are written off to profit or loss.

To date no mining assets have progressed to development and production stage.

(e) Impairment of non-financial assets

The Directors assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Directors estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash- generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset. For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have been decreased. If such indication exists the company makes an estimate of recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

4. Segmental reporting

In assessing performance and making resource allocation decisions, the Directors (its chief operations decision-making body) are of the opinion that under IFRS 8 "Operating Segments" there is only one business activity, the exploration of diamond and gold resources, and consider there to be therefore only one material operating segment, being the exploration licences in Sierra Leone.

5. Administrative expenses

	2013 USD	2012 USD
Administrative expenses	(72,162)	(7,179)

The expenses relate mainly to travelling & accommodation expenses pertaining to mining site visits.

6. Intangible assets

	2013 USD	2012 USD
Exploration costs		

At beginning of period	63,743	29,750
Additions	33,998	33,993
Total at the end of the period	**97,741**	**63,743**

The exploration costs comprise of license costs and direct expenses associated with the acquisition of Golden Saint Resources (Africa) Limited's exploration licenses.

7. Borrowings

	2013 USD	2012 USD
Loan from parent company	255,785	128,047
Loan from director	8,794	6,530
	264,579	**134,577**

Refer to note 13 for further detail.

8. Capital management

The Directors' objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop its activities to provide returns for shareholders and benefits for other stakeholders.

Golden Saint Resources (Africa) Limited's capital structure comprises of debt and equity.

When considering the future capital requirements of Golden Saint Resources (Africa) Limited and the potential to fund specific project developments via debt the directors consider the risk characteristics of all of the underlying assets in assessing the optimal capital structure.

9. Financial instruments

In common with other businesses, Golden Saint Resources (Africa) Limited is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 3.

Golden Saint Resources (Africa) Limited is not exposed to interest-bearing indebtedness. The exploration activities of Golden Saint Resources (Africa) Limited were financed by interest-free loans from related parties (refer to note 13).

Principal financial instruments

The principle financial instruments used by the company, from which financial instrument risk arises, are as follows:

	2013 USD	2012 USD
Financial Assets (Loans and receivables)		
Cash & cash equivalents	8,349	-
Financial Liabilities (amortised cost)		
Borrowings (Refer to note 13)	264,579	134,576

The fair value of the financial instruments at each reporting date approximates to book value.

10. Share Capital

	2013	2012
Authorised share capital		
Ordinary share of Le 10,000 (number)	10,000	10000
Issued share capital		
Ordinary shares of Le10,000 (number)	100	100

	2013 USD	2012 USD
Issued share capital	256	256
Fully paid	-	-
Unpaid		
	256	256

As at the date of issue of share capital, the exchange rate between Le and USD was Le3,900 : $1, equating to $2.56 per share of par value Le10,000.

11. Taxation

	2013 USD	2012 USD
Reconciliation of effective tax		
Loss before income tax	**(72,162)**	**(7,178)**
Income tax on loss before tax at 30%	(21,649)	(2,153)
Tax effect of expenses that are not deductible in determining taxable profit		
Deferred tax asset in respect of tax losses not recognised.	21,649	2,153
Total tax expenses for the period	**-**	**-**

The company has not recognised a deferred tax asset on any losses carried forward on exploration costs due to the uncertainty of future profit and the relatively unsettled legal and tax codes of Sierra Leone

12. Post Balance Sheet Events

No other matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of Golden Saint Resources (Africa) Limited, the results of those operations, or the state of affairs of Golden Saint Resources (Africa) Limited in future financial years apart from the following;

Pursuant to a share exchange agreement dated 1 July 2013 between the Golden Saint Resources Ltd and Golden Saint Australia Limited, Golden Saint Resources Ltd acquired 75 shares of Le10,000 each in the issued share capital of Golden Saint Resources (Africa) Limited (equating to 75 per cent of the issued share capital of Golden Saint Resources (Africa) Limited) in consideration for the issue of 378,750,000 ordinary shares of no par value in the capital of Golden Saint Resources Ltd at a price of 12 pence per ordinary share.

Golden Saint Australia Limited has agreed to write off the full value of the loan from Golden Saint Australia Limited to Golden Saint Resources (Africa) Limited as at the date of Admission ($153,088 as at 31 December 2012).

Cyril D'Silva, a Director of Golden Saint Resources (Africa) Limited, has agreed to write off the full value of the loan to Golden Saint Resources (Africa) Limited as at the date of Admission ($8,794 as at 31 December 2012).

13. Related party transactions

	2013 USD	2012 USD
Loan from parent company (i)	255,785	128,047
Loan from director (ii)	8,794	6,530
	264,579	**134,577**

(i)The parent company, Golden Saint Australia Limited provided a loan to Golden Saint Resources (Africa) Limited. The load is interest free and had no fixed payment date. An amount of $153,088 is to be waived in full, upon admission of Golden Saint Resources Ltd to AIM.

(ii)An interest free loan with no fixed repayment date was provided to Golden Saint Resources (Africa) Limited by Cyril D'Silva, a director of Golden Saint Resources (Africa) Limited. The balance of $8,794 to be waived on admission of Golden Saint Resources Ltd to AIM.

14. Capital Commitments

Golden Saint Resources (Africa's) capital commitments relate to license fees and the related minimum annual expenditure requirement. As at 30 June 2013 there was approximately $540,000 of expenditure committed in relation to the 2013 financial year (2014: $450,000, 2015 $730,000).

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