30 March 2017
Kennedy Ventures plc

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Interim Results for the six months ended 31 December 2016

Kennedy Ventures plc ("Kennedy Ventures" or "the Company"), the AIM quoted investing company which is focussed on tantalite production through its stake in African Tantalum (Pty) Limited (“Aftan”), which owns and manages the Tantalite Valley Mine (“TVM”) in Namibia, is pleased to announce its unaudited interim results for the six months ended 31 December 2016 (“the Period”).

Highlights:

Operational

- Successfully raised £2.0 million through a placing with the proceeds invested in Aftan to allow it to upgrade and expand the plant at the TVM and open up the Lepidolite Orebody
- Aftan’s TVM plant upgrade programme was initiated. The programme is designed to improve the overall performance of the mine, generating improved utilisation rates, improved recovery rates and higher throughput levels, ensuring long-term value creation. The programme involves:
  - Improving overall tantalite recovery rates through the installation of a new fine recovery plant, allowing for the re-processing of all tailings
  - Increasing both the target throughput to 15,000 tonnes per month and production to 15 tonnes of tantalite concentrate per month, with improved ore sourcing and grades
  - Installation of a milling circuit to liberate fine grains
- During the Period, Aftan reported improved mining face availability and flexibility in ore sourcing as a direct result of more consistent blasting and the generation of new adits in line with the mine plan under the new explosive programme
- Ongoing work within Tantalite Valley on the lithium potential

Financial

- At 31 December 2016, cash at bank amounted to £315,000 and, in addition with the investment in TVM, property plant & equipment and other intangible assets amounted in aggregate to £2,188,000
- Net Current Assets at 31 December 2016 amounted to £338,000 which is an improvement on the net current liability position at 30 June 2016 of £306,000
- Overall Net Assets at 31 December 2016 amounted to £3,168,000, up from the 30 June 2016 balance of £1,405,000

Post Period

- Appointment of Larry Johnson as CEO

- Raised £1.25 million in January 2017 through a placing, with the proceeds invested in Aftan to allow it to implement essential plant enhancements that were identified as necessary after the Period-end. Aftan expects that enhancements will deliver improved utilisation rates, recoveries and production levels that involve:
    - improving water retention through the new plant by upgrading pumping systems, water storage facilities and installing a thickener; and
    - the installation of the milling circuit to follow the water system.

  Aftan has advised that the proceeds will also be applied to:
    - accelerate ongoing lithium studies; and
    - facilitate the on-going negotiations with major purchasers of tantalum
- Aftan has advised that mining has continued during the upgrade, with stockpiles increasing in line with increased volumes of ore moved
- Positive onsite visit by one of the largest tantalum consumers in the world, in line with Aftan's objective to secure improved offtake terms
- Aftan's lithium programme continues, with the Lepidolite sampling programme nearing completion and a maiden JORC compliant mineral resource estimate expected in Q2 this calendar year
- Positive review of Aftan's procurement functions, stock control and general management of TVM to deliver maximum mine productivity and profitability as the mine approaches higher output levels
- Resignation of Caroline McLeod in March 2017 as a Non-executive Director of the Company
- Successful visit to TVM by a leading manufacturer of tantalum capacitors
- One metric tonne of product sold by Aftan with a further six metric tonnes requested for delivery as part of a potential offtake sample programme
- A meeting between Aftan and local unions was successful, with full approval for an extended shift granted
- Full commercial production at TVM expected by the end of Q2 2017

Outlook for Aftan's operations

- The pumping system and upgrade of the water management system took place in March and the new milling circuit installation is expected to be completed in May 2017. The fines recovery circuit is being completed and once completed will be coupled to the existing circuit.
- Aftan expects a throughput rate at TVM of 15,000 tonnes per month by the end of Q2 2017 which is expected to be followed by positive cash generation by the calendar year end.

Larry Johnson, CEO of Kennedy Ventures said:

"I am pleased to announce that Aftan and Kennedy are now poised to take advantage of the initiatives launched during the Period. When Kennedy invested in Aftan, it was known that the TVM plant required an upgrade in order for it to extract maximum value from the mine. The subsequent timing of the upgrade has proven to be to our advantage as support and demand begins to flow back into global commodities.

Post Period-end we assisted Aftan to identify further, necessary enhancements for the plant and Aftan is busy implementing these. In anticipation of the higher levels of production and in recognition of the enhanced processing, TVM has now opened itself up to the global market and Aftan is in advanced discussions geared towards securing new and positive offtake terms for its product.

The Board continues to look at other investment opportunities and we hope to provide further details on these in due course."

For further information on the Company, visit: www.kvplc.com:

Kennedy Ventures plc	
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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Notes to Editors:
Tantalite concentrates form the vast majority of feedstock for all tantalum products. As such they are critical parts of a wide range of modern electronics including computers, tablets, mobile phones, motor components and video game systems.

Aside from electronics, tantalum has significant usage in super alloys, specialised steels, corrosion resistant equipment and medicine.

Tantalum's applications are based on its unique physico - chemical properties. The oxides and metal have extremely high melting points, high heat conductivity and strong resistance to corrosive environments. Combined, these factors have entrenched its international demand and made it an important component of numerous research projects and new technologies.
Trade pricing is following tantalum markets as per Asian Metals and Metal Pages.

In August 2012, the US Securities and Exchange Commission adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies reporting to the SEC to publicly disclose the origins of the tantalum they buy in order to restrict the use of conflict minerals that originated in the Democratic Republic of the Congo or an adjoining country. As a result, users of tantalum are encouraged to demonstrate that their supply chain is transparent to ensure that conflict-free tantalum is procured.
It is intended that the tantalum produced by Aftan will be conflict-free.

CHAIRMAN'S STATEMENT

Kennedy continues to work closely with Aftan to fully understand the full potential at TVM. With the appointment of Larry Johnson after the Period-end in January 2017, Kennedy is now well placed to take advantage of an improving commodity environment. Following the completion of the plant upgrade and associated enhancements, we expect Aftan to become a high margin tantalum producer.

Review of the Period

When Kennedy Ventures acquired 75% of Aftan in January 2015, there was a clear strategy around TVM to upgrade the plant. This upgrade was essential for Aftan to extract the maximum value from the mine and its surrounding licences, and ensuring that higher levels of throughput and recovery were achieved. During the first half of this financial year, we have made important strides towards supporting Aftan to complete these upgrades, firstly by raising the required funds (£2.0 million) to invest in the plant upgrade.

Later in the Period, Aftan initiated and completed the reorganisation of the existing modules, the installation of a pre concentration plant to reduce table loads and specialist tables for the recovery of fine tantalite. As the improvements were implemented and production was ramping up, it became clear post Period-end that the management and storage of water within the new plant was a constraining issue and a thickener was required to improve water retention. Consequently, the scheduled installation of the milling circuit to liberate fine tantalite is delayed until after the upgraded water pumping systems, water storage facilities and new thickener arrive on site and are installed, which is expected by first week of April.

During the Period, the Company was very pleased to receive notification from Aftan that the mine performance was improving with improved mining face availability and flexibility in ore sourcing. This was as a direct result of more consistent blasting and the generation of new adits in line with the mine plan under the new explosive programme.

The first half of the financial year saw Aftan begin its lithium programme, designed to evaluate the lithium potential at TVM and within the Lepidolite Ore Body where studies identified lithium bearing mineralisation. Initial sampling took place during the Period and proceeded well, with the sampling programme nearing completion post Period. The test work programme is underway and is proceeding as planned at SGS's laboratory in Johannesburg, with first results received and an initial plant design being scoped. Aftan expects to produce a maiden JORC compliant mineral resource estimate in Q2 this year.

Post Period end, the Company appointed Larry Johnson as CEO and successfully raised £1.25 million to invest in Aftan to allow it to carry out the enhancements relating to the water management system. Larry is uniquely qualified having spent 35 years in the tantalum industry with two large US based publicly listed companies with core interests in tantalum. Larry's knowledge of the global tantalum market has enabled the Company to consider its future investment strategy as it grows, facilitating further investments in the sector.

Additionally, Larry has been working closely with Aftan, reviewing processes and providing Aftan with guidance around further plant processing optimisation, as well as reviewing existing commercial contracts to ensure Aftan receives optimal revenues from the TVM. This review will seek further efficiencies at the mine to ensure stockpile levels are maintained and old stockpiles are incorporated into the mine plan, potentially creating an additional economic source of tonnage.

In mid-February, the leading manufacturer of tantalum capacitors (the "Customer") visited TVM to assess the progress that Aftan has made. Following the meeting, the Customer purchased one metric tonne of end product for testing. The customer has now followed this initial purchase with a request for 6 metric tonnes for the quarter to June 2017 as part of a quality sampling programme to make certain the product suits their facilities and requirements. Subject to the product meeting the Customer's required specifications, Aftan hopes to agree a permanent offtake agreement with the Customer. Furthermore, the Customer has introduced Aftan to the leading global tantalum powder smelter from Germany. The Customer has indicated that it will assist Aftan with developing this relationship.

Upon completion of Aftan's upgrade work, production rates should be significantly higher than 18 months ago and the plant capacity and efficiency are expected to be markedly improved. This will ensure Aftan is in a position of strength to deliver high quality tantalum into a growing demand market, generating high cash margins.

Demand for tantalum is driven by the electronics and technology industries, where tantalum capacitors are used in nearly all electronic equipment and mobile devices. Furthermore, tantalum is used to produce super alloys that can be used to manufacture high temperature cutting tools. Tantalum is a conflict mineral and the Company remains committed to ensuring that the tantalum produced by Aftan will be conflict-free.

Furthermore, the Company is currently exploring new revenue generation streams and investment opportunities which could include investing in new purchasing and supply chains for tantalite and other speciality minerals in Africa and globally.

Financials

The Company recorded a loss before tax of £418,000 (2015: £368,000) and had cash balances of £315,000 (2015: £233,000) at the end of the Period. The Company does not plan to pay an interim dividend for the six months ended 31 December 2016.

Outlook

The TVM upgrade, as well as enhancements to the water management system, have been essential to ensure that Aftan can extract optimal value from TVM. Aftan is now strategically placed to increase levels of high grade product and to negotiate improved offtake terms. Additionally, its lithium programme continues at pace and Aftan expects to be able to announce a maiden mineral resource estimate by the end of Q2 this year. The arrival of Larry Johnson as CEO has further enhanced Kennedy's ability to explore new investments and acquisition opportunities, supply chain extensions and trade opportunities.

With the plant upgrade capex now sunk at TVM, Kennedy, through the investment in Aftan, hopes to be able to take advantage of the high margin cash generation anticipated this calendar year.

Giles Clarke
Chairman
30 March 2017

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Notes	**Unaudited Six months ended 31 December 2016 £'000**	Unaudited Six months ended 31 December 2015 £'000	Audited year ended 30 June 2016 £'000
Administrative expenses		**(418)**	(368)	(788)
Operating loss and loss before tax		**(418)**	(368)	(788)
Tax on profit on ordinary activities		**-**	-	-
Loss for the period		**(418)**	(368)	(788)
Loss attributable to owners of the Company		**(421)**	(368)	(676)

Profit / (loss) attributable to non-controlling interests		**3**	-	(112)
		(418)	(368)	(788)
Loss per share				
Basic (loss) per share		**(0.26)p**	(0.36)p	(0.6)p
Fully diluted (loss) per share	3	**(0.26)p**	(0.36)p	(0.6)p

Loss for the year	**(421)**	(368)	(676)
Exchange differences on translation of foreign operations	**358**	31	21
Total comprehensive loss for the year attributable to equity holders of the parent	**(63)**	(337)	(655)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Unaudited As at 31 December 2016	Unaudited As at 31 December 2015	Audited As at 30 June 2016
	£'000	£'000	£'000
Non-current assets			
Goodwill	**642**	571	571
Other intangible assets	**1,377**	444	674
Property, plant & equipment	**811**	762	466
Total non-current assets	**2,830**	1,777	1,711
Current assets			
Trade and other receivables	**165**	31	70
Cash and cash equivalents	**315**	233	60
Total current assets	**480**	264	130
Current liabilities			
Trade and other payables	**(142)**	(37)	(286)
Short term borrowings	**-**	-	(150)
Total current liabilities	**(142)**	(37)	(436)
Net assets	**3,168**	2,004	1,405
Capital and reserves			
Called up share capital	**1,751**	1,052	1,084
Share premium account	**10,281**	9,004	9,125
Share based payment reserve	**-**	251	-
Capital redemption reserve	**2,077**	2,077	2,077
Currency translation reserve	**23**	27	17
Profit and loss account	**(10,842)**	(10,550)	(10,773)
Equity attributable to owners of the Company	**3,290**	1,861	1,530
Non-controlling interests	**(122)**	143	(125)
Shareholder funds	**3,168**	2,004	1,405

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Unaudited Six months ended 31 December 2016 £'000	Unaudited Six months ended 31 December 2015 £'000	Audited year ended 30 June 2016 £'000
Balance at beginning of period	**1,405**	646	646
Loss for the financial period	**(66)**	(368)	(788)
Issue of share capital	**1,823**	1,444	1,597
Share based payment expense	**-**	251	85
Acquisition of subsidiary undertakings	**-**	-	(156)
Foreign exchange reserve movement	**6**	31	21
Balance at end of period	**3,168**	2,004	1,405

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Unaudited Six months ended 31 December 2016 £'000	Unaudited Six months ended 31 December 2015 £'000	Audited year ended 30 June 2016 £'000
Cash flows from operating activities			
Operating loss	**(66)**	(368)	(788)
Adjustments for:			
Depreciation	**11**	-	17
Share based payment charge for year	**-**	251	197
Shares issued in settlement of fees	**-**	-	20
Operating cashflow before working capital changes	**(55)**	(117)	(554)
(Increase) in receivables	**(95)**	(18)	(57)
(Decrease) / increase in payables	**(144)**	(61)	188
Net cash outflow from operating activities	**(294)**	(196)	(423)
Investing activities			
Purchase of property, plant & equipment	**(356)**	(367)	(88)
Development costs	**(703)**	(265)	(664)
Acquisition of subsidiary undertakings	**-**	(181)	(336)
Net cash outflow from investing activities	**(1,059)**	(813)	(1,088)
Financing activities			
Net proceeds from share issues	**1,823**	1,358	1,365

Repayment of loan	**(245)**	(142)	-
Loans from associates	**95**	-	108
Net cash inflow from financing activities	**1,673**	1,216	1,473
Net increase/(decrease) in cash in the period	**320**	207	(38)
Exchange rate translation adjustment	**(65)**	-	72
Cash and cash equivalents at beginning of period	**60**	26	26
Cash and cash equivalents at end of period	**315**	233	60

NOTES TO THE UNAUDITED INTERIM ACCOUNTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

1. Basis of preparation

The financial statements included in the interim accounts have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS). The comparative figures for the six months ended 31 December 2015 are also included in these interim accounts under the historical cost convention.

The principal accounting policies used in preparing these interim accounts are those expected to apply in the Company's Financial Statements for the year ending 30 June 2017 and are unchanged from those disclosed in the Company's Annual Report for the year ended 30 June 2016.

The interim accounts were approved by the Board of Kennedy on 30 March 2017. The interim financial information for the six months ended 31 December 2016 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and is unaudited. The comparatives for the year ended 30 June 2016 are not the Company's full statutory accounts for that period. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006. Copies of the accounts for the year ended 30 June 2016 are available on the Company's website (www.kvplc.com).

2. Accounting policies

The principal accounting policies are:

Basis of preparation

The comparative figures for the six months ended 31 December 2015 have been presented on the same basis as the interim accounts for the six months ended 31 December 2016.

Going concern

The interim financial statements have been prepared on the going concern basis as, in the opinion of the Directors, at the time of approving the interim financial statements, there is a reasonable expectation that the Company will continue in operational existence for the foreseeable future. The interim financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

3. Loss per share

	Unaudited 6 months ended 31 December 2016 £'000	Unaudited 6 months ended 31 December 2015 £'000	Audited Year ended 30 June 2016 £'000
Loss used for calculation of basic and diluted EPS	**(421)**	(368)	(676)
Loss for the year attributable to owners of the Company	**(421)**	(368)	(676)
Weighted average number of ordinary shares in issue used for calculation of basic and diluted EPS*	**161,979,587**	102,889,458	104,756,967
Loss per share (pence per share)			

Basic and fully diluted*****:			
-from continuing and total operations	**(0.26)**	(0.36)	(0.6)

*The Company has outstanding warrants and options which may be dilutive in future periods. The effect in respect of the current year would have been anti-dilutive (i.e. reducing the loss per share) and accordingly is not presented.

4. Distribution of Interim Report and Registered Office

A copy of the Interim Report will be available shortly on the Company's website, www.kvplc.com, in accordance with rule 26 of the AIM Rules for Companies; and copies will be available from the Company's registered office, Lakeside Fountain Lane, St.Mellons, Cardiff, CF3 0FB.