

Kennedy Ventures plc
Interim Results and First Consignment Leaves Mine

Kennedy Ventures plc ("Kennedy Ventures" or "the Company"), the AIM listed 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 2015 and the departure of the first shipment consignment of high grade Tantalite from TVM.

Highlights:

Operational

- Kennedy Ventures successfully raised £1.4 million through a placing with the proceeds to be used towards bringing the Tantalite Valley Mine back into production, to conduct due diligence on other tantalite projects and for investment and working capital purposes
- Investee company, Aftan:
 - signed a long term Offtake agreement with a major leading manufacturer of electronic components to take the full production from the TVM under a long term offtake agreement
 - successful and within budget commissioned its tantalite process plant at the TVM
 - Obtained full explosives magazine licence to enable it to take delivery of, and store, explosives at the TVM.

Financial

- At 31 December 2015 Cash at Bank amounted to £233,000 and, in addition with the investment in TVM, Property plant & equipment amounted to £1,027,000
- Net Current Assets at 31 December 2015 amounted to £227,000 which is an improvement on the net current liability position at 30 June 2015 of £201,000
- Overall Net Assets at 31 December 2015 amounted to £2,004,000 up from the 30 June 2015 balance of £646,000.

Post Period

- Aftan has fully prepared the blasting faces, with blasting now taking place at all four main adits of the Homestead deposit of the TVM
- First shipment consignment of 285kgs of high grade Tantalite concentrate has left the TVM. The delay was due to exceptionally unusual and adverse weather conditions impacting the generators onsite, causing some down time during February. All issues have now been resolved and plant tonnages continue to ramp up to the planned 10,500 tonnes per month.
- In addition to tantalum, investigations into Tantalite Valley's lithium potential have generated very exciting results which we are evaluating and look forward to updating shareholders in the near term.

Peter Hibberd, CEO of Kennedy Ventures said:

"It has been a successful period for the Company. We were pleased that Kennedy Ventures' investee company Aftan has now become a producer of tantalite. The successful execution of Aftan's long term offtake agreement demonstrates the demand that exists in the market for its high quality product. With this demand set to grow from the

ever increasing development and use of electronic devices across the globe, Aftan is well positioned to become a leading supplier. We look forward to Aftan delivering further growth for the Company as we approach a period of positive cash generation.”

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

Kennedy Ventures plc

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Notes to Editors:

Tantalite concentrates form the vast majority of feedstock for all tantalum products. As such they are critical and unreplaceable 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 physio - 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

We were pleased with the excellent progress made over the period by Aftan as it became a producer of tantalum, a rare and valuable metal used in the production of electronic components and alloys.

Review of the period

The Company successfully acquired the remaining 40% of the TVM project through Aftan for a consideration of R7m (£0.33m) enabling it to become the sole owner of the operating companies and therefore increasing Kennedy Venture's exposure to this valuable mine.

In July 2015, Aftan reached an important milestone when it entered into a long term offtake agreement with a major leading manufacturer of electronic components for the full production from Aftan, locking in to a contract that will provide the Company with a positive cash flow and positioning Aftan as a Namibian based producer of tantalite.

Also in July Kennedy Ventures successfully raised £1.4 million through the issue of 26,666,667 new ordinary shares at 5.25p per share, with the proceeds to be used towards bringing the Tantalite Valley Mine back into production, to conduct due diligence on other tantalite projects and for investment and working capital purposes.

At the beginning of November 2015 we announced the completion of the successful commissioning of Aftan's tantalite process plant within budget.

Although later than expected, Aftan recently obtained its explosives magazines licence ("Explosives Licence") which now enables it to take delivery of, and store, explosives at the Mine. The delay impacted first production, however the mining faces have been fully prepared and blasting is currently taking place at all four main adits of the Homestead deposit generating substantial volumes of underground high grade ore.

Post period end the first consignment of 285kgs of high grade Tantalite concentrate left the TVM. This was slightly later than anticipated due to exceptionally unusual and adverse weather conditions impacting the generators onsite and causing some down time during February. This was a temporary delay and all issues have now been resolved with the plant now operating with increasing efficiency.

The mine is now virtually fully staffed, with a full water supply and has been restocked with additional spares to minimise any future mechanical downtime.

The first phase of production is estimated to produce 5,000lbs Ta₂O₅ per month in Q3 2016 whilst the second phase of the development will produce around 9,200lbs Ta₂O₅ per month by mid-2017 as we ramp up production to an initial throughput target of 10,500 tonnes per month. We are encouraged to note that an independent study had confirmed that the estimated resource of the mine stands at 843,000 tonnes grading 490ppm Ta₂O₅.

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.

Financials

The Company recorded a loss before tax of £368,000 (2014: £57,000) and had cash balances of £233,000 (2014: £350,000) at the end of the period. The Company does not plan to pay an interim dividend for the six months ended 31 December 2015.

Outlook

Aside from the ramping up of production at Tantalite Valley, there appears to be a number of related opportunities within the broader tantalum field, both in terms of regional sourcing and downstream processing.

We shall continue to investigate these opportunities for added shareholder value in the medium term.

Tantalite is a valuable commodity in a stable market and we are confident that Kennedy Ventures, with Aftan's long term offtake agreement in place, is on track to become a leading, profitable producer of tantalum in the near future.

In addition, we are excited by the recent lithium results which may result in a new source of value to shareholders. Further information will be provided as the programme progresses.

Giles Clarke
Chairman
31 March 2016

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Notes	Unaudited Six months ended 31 December 2015 £'000	Unaudited Six months ended 31 December 2014 £'000	Audited year ended 30 June 2015 £'000
Administrative expenses		(368)	(57)	(219)
Operating loss		(368)	(57)	(219)
Tax on profit on ordinary activities		–	–	–
Loss for the period		(368)	(57)	(219)
Loss attributable to owners of the Company		(368)	(57)	(199)
Loss attributable to non-controlling interests		–	–	(20)
		(368)	(57)	(219)
Loss per share				
Basic (loss) per share		(0.036)p	(0.08)p	(0.5)p
Fully diluted (loss) per share	3	(0.036)p	(0.08)p	(0.5)p
Loss for the year		(368)	(57)	(219)
Exchange differences on translation of foreign operations		31	–	(4)
Total comprehensive loss for the year attributable to equity holders of the parent		(337)	(57)	(223)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		Unaudited As at 31 December 2015 £'000	Unaudited As at 31 December 2014 £'000	Audited As at 30 June 2015 £'000
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Non-current assets			
Intangible assets	750	–	452
Property, plant & equipment	1,027	–	395
	1,777	–	847
Current assets			
Investments held for trading	-	111	–
Trade and other receivables	31	11	13
Cash and cash equivalents	233	350	26
Total current assets	264	472	39
Current liabilities			
Trade and other payables	(37)	(51)	(98)
Short term borrowings	–	–	(142)
Total current liabilities	(37)	(51)	(240)
Net assets	2,004	421	646
Capital and reserves			
Called up share capital	1,052	711	763
Share premium account	9,004	7,673	7,849
Share based payment reserve	251	–	–
Capital redemption reserve	2,077	2,077	2,077
Currency translation reserve	27	–	(4)
Profit and loss account	(10,550)	(10,040)	(10,182)
Equity attributable to owners of the Company	1,861	421	503
Non-controlling interests	143	–	143
Shareholder funds	2,004	421	646

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

	Unaudited Six months ended 31 December 2015 £'000	Unaudited Six months ended 31 December 2014 £'000	Audited year ended 30 June 2015 £'000
Balance at beginning of period	646	478	478
Loss for the financial period	(368)	(57)	(219)
Issue of share capital	1,444	–	228
Share based payment expense	251	–	–
Acquisition of subsidiary undertakings	–	–	163
Foreign exchange reserve movement	31	–	(4)
Capital redemption reserve movement	–	–	–
Balance at end of period	2,004	421	646

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

	Unaudited Six months ended 31 December 2015 £'000	Unaudited Six months ended 31 December 2014 £'000	Audited year ended 30 June 2015 £'000
Cash flows from operating activities			
Operating loss	(368)	(57)	(219)
Adjustments for:			
Gain on trading investments	–	22	–
Share based payment charge for year	251	–	–
Finance costs	–	–	–
Operating cashflow before working capital changes	(117)	(35)	(219)
(Increase) in receivables	(18)	(112)	(3)
Increase/(decrease) in payables	(61)	(34)	36
Net cash outflow from operating activities	(196)	(181)	(186)
Investing activities			
Purchase of property, plant & equipment	(632)	–	–
Acquisition of subsidiary undertakings	(181)	–	(464)
Net cash inflow/(outflow) from investing activities	(813)	–	(464)
Financing activities			
Net proceeds from share issues	1,358	–	7
Repayment of loan	(142)	–	–
Loans from associates	–	–	142
Net cash inflow from financing activities	1,216	–	149
Net increase/(decrease) in cash in the period	207	(181)	(501)
Exchange rate translation adjustment			(4)
Cash and cash equivalents at beginning of period	26	531	531
Cash and cash equivalents at end of period	233	350	26

**NOTES TO THE UNAUDITED INTERIM ACCOUNTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

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 2014 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 2016 and are unchanged from those disclosed in the Company's Annual Report for the year ended 30 June 2015.

The interim accounts were approved by the Board of Kennedy on 31 March 2016. The interim financial information for the six months ended 31 December 2015 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 2015 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 2015 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 2014 have been presented on the same basis as the interim accounts for the six months ended 31 December 2015.

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 30 June 2015 £'000	Unaudited 6 months ended 30 June 2014 £'000	Audited Year ended 31 December 2014 £'000
Loss used for calculation of basic and diluted EPS	(368)	(57)	(219)
Loss for the year attributable to owners of the Company	(368)	(57)	(199)
Weighted average number of ordinary shares in issue used for calculation of basic and diluted EPS*	102,889,458	71,098,000	43,084,226
Loss per share (pence per share)			
Basic and fully diluted*:			
-from continuing and total operations	(0.036)	(0.08)	(0.5)

*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.