

Half-year Report

1 December 2020

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Article 7 under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

BWA Group PLC

(**"BWA"** or the **"Company"**)

Half-Yearly Results for the Six Months to 30 June 2020

BWA Group plc [AQSE: **BWAP**], which has mineral exploration licences split between Canada and Cameroon at various stages of development and is quoted on London's AQSE Growth Market (formerly NEX), announces its unaudited financial results for the six-month period to 30 June 2020.

Chairman's Statement

Dear Shareholder

The Board presents the results for the six months to 30 June 2020. The impact of the Covid pandemic, which started to become an issue in February, has continued to impact adversely on the Company's business operations with travel being particularly difficult. We have all had to learn about remote working and video conferencing not only for the Company itself but all our advisers as well. The effect has been to make progress slow on a number of fronts, as well as delaying the production of these accounts. Fortunately, the Cameroon operation has significant in-country management so work on developing the claims there has been able to proceed, albeit more slowly than we would wish. The Company has taken advantage UK Government's Business Loan scheme and drawn down a loan of £50,000.

As the Company's investment strategy is now focussed toward early stage mining investments with effect from 1 June 2020 Mr James Hogg, a qualified geologist and managing director of Addison Mining Services Limited, has been appointed a director of the Company.

The Cameroon business, BWA Resources Cameroon Limited, which is a 100% subsidiary of BWA Resources (UK) Limited, itself 90% owned by the Company, has completed marking out the two licence areas at Nkoteng and Dehane which were granted in December 2019 and January 2020 respectively. Initial superficial inspection suggested the first sampling of potential minerals should take place at the Dehane claim; that has been carried out and, since the end of the period, the samples have been submitted for testing at a laboratory in South Africa. It is hoped results will be available for dissemination soon.

On 24 August 2020, the Company announced it had reached a conditional agreement with St George's Eco-Mining Corp (**"St George's"**) to sell the Company's 100% interest in Kings of the North Corp (**"KOTN"**) back to St George's, the original vendor. The agreement specified an expected completion date of 31 August 2020, but St George's have been unable to comply with the completion conditions, despite several extensions of the completion date. The Board of the Company has now concluded St George's are unlikely to complete the agreed transaction and will be looking for alternative solutions for the investment in KOTN. Having further reviewed in depth the licences and other assets held by KOTN, the Board believes there are significant deficiencies in the rights attaching to the licences existing in KOTN at the date of completion of the original acquisition on 1 October 2019. Accordingly, a provision of £2.8 million has been made against the carrying value of the investment in KOTN. The Company is reviewing, with its legal advisers, potential claims and other remedies against St George's and its directors under the warranties contained in the original purchase agreement to recover at least the value of the investment write down and related costs.

In the accounts to 31 December 2019, full provision was made against the investment in the Prego prepaid debit card business. During August an announcement was made by a Canadian listed company that it was in negotiation to acquire the Prego business. To date no information has been received about what effect that might have on the value of the Company's investment in Prego.

The failure of St George's to complete the transaction is unfortunate and alternative realisation strategies are being reviewed by the board. This is partly mitigated by encouraging progress in Cameroon.

Richard Battersby, Chairman

The Directors of BWA are responsible for the contents of this announcement. The Company's condensed set of financial statements are set out below.

For further information:

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INCOME STATEMENT

	Notes	6 months ended 30 June 2020 Unaudited £	8 months ended 31 December 2019 Audited £
Administrative expenses		(206,782)	(378,104)
		(206,782)	(378,104)
Other operating income		120,000	60,000
Loss on revaluation of investments		(2,799,911)	(314,285)
Operating profit/(loss)		(2,886,693)	(632,389)
Interest receivable and similar income		11	7
		(2,886,682)	(632,382)
Interest payable and similar expenses		(20,955)	(38,078)
(Loss)/profit on ordinary activities before and after taxation and retained for the period		(2,907,637)	(670,460)
(Loss)/earnings per ordinary share - basic (pence)	2	(1.02)	(0.41)
(Loss)/earnings per ordinary share - diluted (pence)	2	(1.02)	(0.41)

All amounts relate to continuing activities.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Notes	6 months ended 30 June 2020 Unaudited £	8 months ended 31 December 2019 Audited £
Loss for the period	(2,907,637)	(670,460)
Other comprehensive income	-	-
Total comprehensive loss for the period	(2,907,637)	(670,460)

BALANCE SHEET

Notes	At 30 June 2020 Unaudited £	At 31 December 2019 Audited £
Fixed Assets		
Investments	2,417,545	5,179,414
Current Assets		
Debtors and prepayments	176,473	144,839
Cash at bank and in hand	5,715	15,973
	182,188	160,812
Creditors: amounts falling due within one year	(118,434)	(152,554)
Net current assets	63,754	8,258
Total assets less current liabilities	2,481,299	5,187,672
Creditors: amounts falling due after one year	(50,000)	-
Net assets	2,431,299	5,187,672
Capital and reserves		
Called up share capital	3 1,491,425	1,355,129
Share premium	4 12,663	12,663
Capital redemption reserve	4 288,625	288,625
Other reserve	4 293,582	293,493
Equity reserve	4 4,726,926	4,711,958
Retained earnings	4 (4,581,922)	(1,474,196)
Shareholders' funds	2,431,299	5,187,672

CASH FLOW STATEMENT

	6 months ended 30 June 2020 Unaudited £	8 months ended 31 December 2019 Audited £
Cash flows from operating activities	(85,235)	(77,807)
Cash flows from investing activities		
Purchase of fixed asset investments	-	(39,029)
Loans to subsidiary undertakings	(38,034)	-
Interest received	11	7
Net cash from investing activities	(38,023)	(39,022)
Cash flows from financing activities		
New loans in period	50,000	19,500
Loans repaid	(49,500)	-
Shares issued in period	100,000	-
Convertible loan notes issue proceeds	12,500	101,000
	113,000	120,500
(Decrease)/increase in cash and cash equivalents	(10,258)	3,671
Cash and cash equivalents at beginning of period	15,973	12,302
Cash and cash equivalents at end of period	5,715	15,973

NOTES TO THE FINANCIAL INFORMATION

1. Status of these accounts

The interim accounts for the period from 1 January 2020 to 30 June 2020 are unaudited. The financial information set out in this statement does not constitute statutory accounts within the meaning of the Companies Act 2006.

1. Earnings per ordinary share

Basic and diluted earnings per share figures are based on the following (losses) / profits and numbers of shares:

	6 months ended 30 June 2020 Unaudited	8 months ended 31 December 2019 Audited
Loss before tax	£(2,907,637)	£(670,460)
Weighted average number of shares for the purpose of basic earnings per share	285,213,848	164,507,787

Effect of dilutive potential ordinary shares:

Share options	-	-
Weighted average number of shares for the purpose of diluted earnings per share	285,213,848	164,507,787

3. Share capital

		At 30 June 2020 £	At 31 December 2019 £
Allotted, called up and fully paid			
<i>Number:</i>	<i>Class:</i>	<i>Nominal Value:</i>	
298,285,065 (2019 – 271,025,871)	Ordinary	0.5p	1,491,425 1,355,129

4. Reserves

	Share premium £	Capital redemption reserve £	Other reserve £
At 1 January 2020	12,663	288,625	293,493
Loss for the period	-	-	-
Loan note interest	-	-	-
Reserves transfer	-	-	89
At 30 June 2020	12,663	288,625	293,582
	Equity reserve £	Retained earnings £	Total £
At 1 January 2020	4,711,958	(1,474,196)	3,832,543
Loss for the period	-	(2,907,637)	(2,907,637)
Loan note interest	14,968	-	14,968
Reserves transfer	-	(89)	-
At 30 June 2020	4,726,926	(1,581,922)	939,874

5. Valuation of Investments

The whole of the Company's investment in Cameroon, including loans made to Mineralfields and BWA Resources (UK) Limited, is carried in the balance sheet at £492,002. The Company's investment in Kings of the North Corp ('KOTN') is valued at £1,924,829. The valuation of unlisted investments requires the Directors to make judgements, estimates and assumptions that are believed to be reasonable under the circumstances, but which affect the reported fair value of those investments. The recoverability of the investments in Cameroon and KOTN is dependent on the future

profitability of the underlying businesses. The Directors have reviewed the current position and, after taking into account a number of factors, believe that the valuations at 30 June 2020 remain appropriate.