Bezant Resources Plc

Annual Report

and

Financial Statements

For the year ended 30 June 2012

Bezant Resources Plc

Contents

Bezant Resources Plc

Corporate directory

Directors:	G Nealon	*Executive Chairman*
	B Olivier	*Chief Executive Officer*
	E Kirby	*Non-Executive Director*
	R Siapno	*Non-Executive Director*
	L Read	*Non-Executive Director (appointed 15 October 2012)*

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Chairman's statement

I am pleased to again report to our shareholders upon the further progress made by the Company during its financial year ended 30 June 2012 and on our subsequent ongoing activities to the date of this statement.

Mankayan Project:

As previously announced, at a duly convened General Meeting held on 26 October 2011, shareholders approved the grant of an option (the "Option") to Gold Fields Netherlands Services BV ("Gold Fields") pursuant to the terms of an option agreement (the "Option Agreement") entered into by the Company for the potential disposal of its subsidiary, Asean Copper Investments Limited ("Asean"). Under the terms of the Option Agreement, Gold Fields paid a non-refundable upfront cash payment of US$7 million, with a further cash sum of US$63 million becoming payable should the Option be exercised prior to its scheduled expiry date on 31 January 2013.

To date, the Company has not received any formal notice from Gold Fields in respect of its intentions with regards to potentially exercising the Option prior to its expiry. The Company continues to maintain regular dialogue with Gold Fields' representatives and we shall release an appropriate announcement without delay following receipt of a formal decision from Gold Fields.

During the period under review, Gold Fields has released positive resource and reserve estimates in respect of its ongoing exploration activities at the "Far Southeast Project", being its flagship deposit in the Philippines situated approximately six kilometres from our Mankayan project area. Gold Fields has to date committed considerable capital outlay on community liaison and exploration activities and invested a significant cash sum further to the acquisition of a 40 per cent. stake in the Far Southeast Project for US$220 million from Liberty Express Assets with an option outstanding over a further 20 per cent. interest for a further US$120 million from Lepanto Consolidated Mining Company.

With respect to the current status of the Far Southeast Project, we understand that Gold Fields is still awaiting the free, prior and informed consent ("FPIC") from the relevant indigenous communities to support its application for the grant of a Financial or Technical Assistance Agreement (the "FTAA Licence") from the relevant Philippine authorities. The granting of an FTAA Licence permits 100 per cent. equity ownership of an asset in the Philippines by a foreign entity and accordingly is a key step to progressing large scale mining projects, such as Far Southeast and Mankayan.

In the event that the Option over the Mankayan Project is exercised, it remains the Board's intention to distribute a significant proportion of the sale proceeds to shareholders, as set out in my statement in last year's annual report.

Eureka Project:

Following receipt of the abovementioned non-refundable upfront Option payment from Gold Fields, the Company was in a strong position to negotiate an accelerated acquisition of 100 per cent. of the Eureka Project in Argentina. As a result, the Company achieved a saving of US$1.3 million on the originally agreed staggered acquisition terms in return for a final accelerated lump sum cash payment for the Eureka Project, a near surface copper-gold project, historically mined and located near to the Argentine border with Bolivia. Accordingly, the Company is now the sole owner and operator and has total discretion over all exploration expenditure on the project, which currently has unaudited unclassified resource estimates, based on third parties' historic exploration activities, in the order of, in aggregate, up to approximately 62 million tonnes grading at approximately 1 per cent. copper with approximately 52,000 ounces of gold as credits.

On 15 August 2011, the Company announced that it had completed Phase I of its initial exploration programme in relation to the evaluation of historical data and the generation of a geographic information system ("GIS") database. This included the identification of encouraging geophysical responses with zones of high electrical chargeability and resistivity from interpretation of a three-dimensional Induced Polarisation ("IP") survey, which will provide additional targets for the Company's planned ongoing exploration programme.

On 18 April 2012, the Company announced the completion of an environmental base line study, along with the formal submission of our statutory Environmental Impact Assessment ("EIA") and Hydrogeological Reports to the provincial authorities. Our consultation programme with the provincial authorities and local indigenous communities has been positive, and we are currently supplying further expert testimony on the potential impact of the project's redevelopment to the Judge of Mines. Our EIA is also being presented to the presidents, associated office bearers and community representatives of the affected indigenous peoples and we are hopeful of receiving a formal decision in due course. Although the consultation process is lengthy, upon completion and a positive outcome, a full mining licence(s) should be granted enabling development of this near surface copper-gold project.

Encouraging results were also obtained from surface rock samples gathered in connection with the EIA study, with the average copper value for all of the surface rock samples sent for analysis equating to 1.7% Cu.

On 8 October 2012, the Company announced that copper-gold mineralised strata and lenses had been identified further to completion of a Vertical Electrical Sounding ("VES") survey programme. The survey indicated an increase in the thickness of copper mineralisation in the project area thereby facilitating the development of a further exploration methodology for future exploration programmes.

Mkurumu Project:

All exploration activities in Tanzania were discontinued in prior years and the original exploration costs fully impaired. On 27 March 2012, the Company announced that its wholly-owned subsidiary, Anglo Tanzania Gold Limited ("ATGL"), had agreed to the termination of its existing Joint Venture Agreement (the "Existing Agreement") with Ashanti Exploration (Tanzania) Limited ("AETL") in respect of the "Mkurumu project", situated in the Kilindi District, Tanga Region, Tanzania.

Along with the termination of the Existing Agreement, the Company successfully negotiated a new agreement with AETL whereby ATGL now holds a reduced free carried interest of 5 per cent., along with a Net Smelter Return Royalty of 2 per cent. of any potential future Net Smelter Return due to AETL. As a result of the termination of the Existing Agreement, ATGL no longer has any exposure to any further exploration expenditure on the project.

Financial/other:

For the financial year ended 30 June 2012, the Company made a loss after tax of £1,836,000 (2011: loss of £1,550,000). This loss reflects the expenditure on our ongoing exploration activities and the cost of the full acquisition of the Eureka Project in Argentina. It does not reflect the £3,610,000 non-refundable option payment received from Gold Fields (net of costs associated with the negotiation and finalisation of the Option Agreement) since the appropriate accounting treatment is to capitalise this amount as a deposit/deferred income on the balance sheet until such time as the option is exercised or lapses when it will then be recognised in the income statement.

On 30 January 2012, the Company was pleased to announce the appointment of Dr. Bernard Olivier as Chief Executive Officer, having previously served the Company since April 2007 as Executive Technical Director.

Subsequent to the period end on 15 October 2012, the Company was also pleased to announce the appointment of Mr. Laurence Read as a Non-executive Director of the Company. Mr. Read has considerable experience advising natural resources companies and brings invaluable knowledge and expertise to assist with the Group's future growth.

Chairman's statement (continued)

I would like to take this opportunity to once again thank all of our employees, advisers, shareholders and other stakeholders for their continuing patience, interest and support with the Company's further development.

Gerard Nealon
Executive Chairman

14 November 2012

Review of operations and activities

1. Philippines – Mankayan Copper-Gold Porphyry Project

The Mineral and Production Sharing Agreement covers a total of 534 hectares in the Guinaoang area of the Philippines (the "Mankayan Project").The Mankayan Project is located in the Mankayan-Lepanto mining district, an area of porphyry copper belts in the Philippines, and is similar to several other deposits that have already been developed by third parties, such as the St Thomas deposit near Baguio City.The project site is situated adjacent to the copper/gold mine owned and run by Lepanto Consolidated Mining Company.The Mankayan-Lepanto area has been mined for centuries and is readily accessible by both road and air.The Mankayan deposit was discovered in the early 1970s and since then has been extensively drilled, with four historical programmes being completed covering more than 45,000 metres of diamond drilling over 48 holes. From late 2007 to mid 2009 the Company completed a 9,778 metre drill programme over 9 holes along the full strike length of the deposit in order to expand upon, and test the validity of, the historical drilling results and to provide samples for density and metallurgical analysis.

On 17 December 2010, the Company announced maiden independent JORC Ore Reserve and Mineable Inventory Statements, commissioned from international expert consultants as part of a conceptual (technical and economic) study on its Mankayan Project (the "Study"), comprising Probable Ore Reserves of 189 million tonnes at 0.46% copper and 0.49g/t gold and resulting in total Recoverable Metal Reserves of 811,000 tonnes of copper and 2,210,000 ounces of gold. The total Mining Inventory is approximately 390Mt of ore at an average grade of 0.38% copper and 0.42g/t gold, equating to approximately 1.4 million tonnes of copper and 3.9 million ounces of gold, the latter relating to all of the indicated, inferred and unclassified material incorporated by the mine design.

In January 2011, the Company announced the full results of the completed Study. The conceptual mine design completed for the Study utilised a block caving mining method. Block caving is considered to be an appropriate and common method to mine large deposits, such as that encountered at Mankayan, provided the characteristics of the rock mass lend the ore body to be suitable for caving. The Study applied the general principles of block cave mining to the Mankayan deposit and considered the distinct characteristics of the ore body. It presented an overall mine layout in accordance with the highest industry standards.

An annual mine production rate of 12 million tonnes per annum ("Mtpa") was selected, resulting in a mine life of 42 years, which was seen to be well within the capabilities of the ore body. At a draw down rate of 100 millimetres per day, approximately 12 Mtpa per lift would be produced derived from benchmarking shaft haulage at some of the world's biggest underground mines, including those within Australia, and specifically those block caving mines that are mining up to 500 metre ore columns. The conceptual mine comprises a ventilation shaft, a haulage shaft for ore hoisting and a decline ramp used primarily to transport personnel to and from the mine workings, as well as to haul waste to the surface dumps. This allows for uninterrupted ore haulage through the shaft without incurring delays for the transportation of personnel. The block cave layout was designed such that each mining lift will have an undercut level, an extraction level, a fresh airway level, a return airway level and a crushing/conveying level.

The concentrator design was based on Australian and international experience of proven operations, with high-throughput copper-gold ore treatment.The single processing line incorporates two-stage milling in closed circuit with cyclones, flash flotation cells and dedicated flash cleaner cells. A pebble crusher operates in closed circuit with the primary mill.

Mill cyclone overflow gravitates to rougher and scavenger flotation. Rougher concentrates are reground before cleaning. Scavenger and cleaner scavenger tails are thickened before discharge to the tailings storage facility. Copper and a portion of the gold are recovered by froth flotation to a copper sulphide concentrate that is then sold to international or local smelters. The remaining gold is recovered on site as bullion, by gravity concentration of the flash flotation concentrate.

Concentrator operating costs were based on an estimate of consumables such as mill liners, steel balls, flotation reagents, water and electrical power. Flotation reagent cost estimates allow for the use of modern high-technology selective copper/gold collectors.

Cyanide is not used in any part of the process.

The Study calculated that approximately 95,000 metres of operating development and 2.5 million metres of longhole drilling would be undertaken during the project's development. The total capital infrastructure costs over the project's life was calculated at approximately US$1.2 billion, with a total revenue per tonne of US$33.72 and total costs per tonne of US$21.01.

The Mankayan Project is currently the subject of an Option granted to Gold Fields with an expiry date of 31 January 2013.

2. Argentina – Eureka Copper-Gold Project

During the reporting period, the Company secured accelerated ownership of 100 per cent. of the Eureka Project in Argentina thereby reducing the overall acquisition cost. The revised terms enabled Bezant to reduce the total overall acquisition cost by approximately 33 per cent. from US$3.9 million to US$2.6 million by accelerating the pre-existing staggered payment schedule. The project comprises a package of 11 highly prospective copper and gold exploration licences. The 11 licences are located north-west of Jujuy near to the Argentine border with Bolivia and cover, in aggregate, an area in excess of approximately 5,500 hectares, accessible via a series of gravel roads. To date, no JORC compliant or equivalent international standard of resource estimate has been established, but historic exploration activities have been conducted on the project area since the 1980s by Minera Penoles, Codelco and Mantos Blancos, with unaudited unclassified estimates in the order of, in aggregate, up to approximately 62 million tonnes grading at 1% copper and approximately 52,000 ounces of gold as credits. The copper oxide mineralisation occurs in loosely consolidated conglomerates and is the focus of the project's economic potential.The near surface mineralisation is amenable to heap leaching, while the carbonate content of the conglomerate is reported to be low, thereby reducing potential acid consumption.

In August 2011, the Company completed Phase 1 of the Eureka work programme. Phase 1 consisted of the interpretation of an historic three-dimensional Induced Polarisation ("IP") survey that identified a broad consistent zone of high electrical chargeability in the central part of the survey area. The zone develops at 100 – 150m depth and appears to be approximately 200m thick, dipping to the west whilst plunging and thickening to the south.The IP survey covered an area of approximately 2.5km by 1.25km with a 3-D array, line spacing of 200m and 50m station spacing along the lines. The data was presented as 3-D inversion models of electrical chargeability and resistivity. The zone of high electrical chargeability is also associated with a high resistivity zone, both of which dip to the west. A strong, partly defined, chargeability high anomaly has also been identified at the southern end of the survey area. The zones of high electrical chargeability and resistivity together with the voluminous anomaly located in the southern part of the survey area, present additional targets for the drilling phase of the Company's initial planned exploration programme.

In September 2011, Bezant began work with Ayni Consulting Group S.R.L., an integrated exploration services consulting firm based in Salta, Argentina, on an Environmental Impact Assessment Study ("EIA") and an Environmental Baseline Study (the "Baseline Study") for the Eureka Project. Approval of the EIA is required before the Company is permitted to start the main phase of its initial exploration work programme which will consist of trenching, surface sampling and drilling, in order to investigate the copper, gold and silver mineralisation.

In April 2012, Bezant completed and submitted a comprehensive EIA to the Director of Mines and Energy Resources for the Province of Jujuy. As part of the Baseline Study, the Company sampled 41 stream sediment, soil, mine dump and surface rock samples. These samples confirmed the exceptionally environmentally friendly nature of the deposit. The results of 6 water samples taken from old underground workings indicate that the water is suitable for animal consumption and that all total metal content and metals in solution are within Argentine standards. A total of 18 surface rock samples were collected as part of the Baseline Study and sent for geochemical analysis. Not all the samples were collected from identifiable copper seams and the returned copper values ranged from 27ppm to 4.48%. The average copper value for all the surface rock samples equated to 1.7%Cu, eleven of which returned values in excess of 1%Cu namely, 1.1%, 1.2%, 1.8%, 2.1%, 2.3%, 2.35%, 2.8%, 3.5%, 4.0%, 4.2% and 4.5%Cu. The samples containing 1% or more copper were taken along a 1,000 metre strike extent of identifiable copper mineralisation outcropping on surface.Significant silver values of up to 11.2g/t, which appear to be associated with barium and arsenic enriched fluids, were also identified.

As announced on 8 October 2012, a Vertical Electric Sounding survey programme was completed post the reporting period end, which successfully identified copper-gold mineralised strata and lenses.

The Company is currently still awaiting approval of its EIA from the relevant provincial authorities before proceeding with the main phase of its initial exploration work programme.

3. Tanzania – Mkurumu Project

All exploration activities in Tanzania were discontinued in prior years and the original exploration costs fully impaired. In March 2012, Bezant announced that it had negotiated a new agreement with AETL in respect of the Mkurumu Project, whereby the Company now holds a reduced free carried interest of 5 per cent. along with a Net Smelter Return Royalty of 2 per cent. of any potential future Net Smelter Return due to AETL and is no longer exposed to any further exploration expenditure on the project.

Dr. Bernard Olivier
Chief Executive Officer

14 November 2012

Board of directors

Mr. Gerry Nealon (*Executive Chairman*) (*Appointed 8 December 2004*)

Experience and Expertise

Gerry Nealon, aged 52, is a Chartered Chemist holding the degrees of B.Sc. (Hons) in Biochemistry and M.Sc. in Forensic Science. His experience relates to the areas of forensic science, quality systems, risk management, research & development, corporate governance and due diligence. Gerry was employed by Governmental agencies, primarily within the UK and Australia, prior to moving into the private sector and founding his own consulting company in 1994. His main areas of operation have principally been related to Australia, South Africa, the Philippines, Singapore, Malaysia, Thailand, the USA and South America.

Other current directorships

Executive Chairman of LP Hill Plc (listed on AIM) and Director of its subsidiaries Enviroplats Limited and Tranomaro Mineral Development Corporation Limited. Non-Executive Chairman of Magnum Mining and Exploration Limited (listed on ASX) and Director of Limerick Global Consulting Pty. Limited.

Former directorships in the last 5 years

Great Australian Resources Limited (formerly listed on ASX), Clean Water Australia Pty. Limited, Invest Tech Pte. Limited and Floran Asia Pte. Limited.

Special responsibilities

Chairman of the Board/Executive Committee.

Interests in shares and options

363,000 fully paid ordinary shares in Bezant Resources Plc.
439,560 options over ordinary shares in Bezant Resources Plc.

Dr. Bernard Olivier (*Chief Executive Officer*) (*Appointed 26 April 2007*)

Experience and Expertise

Bernard Olivier, aged 36, received his PhD in Economic Geology from the University of Stellenbosch, South Africa in 2006. He has been working as a geologist since 1998 and has worked throughout various African and Asia countries, among them Tanzania, South Africa, Zambia, Burundi, Malawi, Namibia, Cambodia, Lao PDR and the Philippines. He has worked on various exploration and development projects as well as active mining operations on a variety of commodities including gold, gemstones, uranium, diamonds, PGEs, base metals and coal.

Other current directorships

Chief Executive Officer of Richland Resources Limited (formerly Tanzanite One Limited) and Non-executive Technical Director of LP Hill Plc (both listed on AIM) and Director of its subsidiaries Enviroplats Limited and Tranomaro Mineral Development Corporation Limited and Director of Serengeti Resources Limited.

Former directorships in the last 5 years

Great Australian Resources Limited (formerly listed on ASX) and Kirkwood Resources Limited.

Special responsibilities

Chief Executive Officer/Technical Director/Executive Committee.

Interests in shares and options

497,800 fully paid ordinary shares in Bezant Resources Plc.
219,780 options over ordinary shares in Bezant Resources Plc.

Mr. Ronnie Siapno (*Non-Executive Director*) (*Appointed 25 October 2007*)

Experience and Expertise

Ronnie Siapno, aged 48, graduated from the Saint Louis University in the Philippines in 1986 with a Bachelor of Science degree in Mining Engineering and is currently a member of both the Philippine Institute of Mining, Metallurgical and Geological Engineers and the Philippine Society of Mining Engineers. Since graduation, he has held various consulting positions such as Mine Planning Engineer to Benguet Exploration Inc., Mine Production Engineer to Pacific Chrome International Inc., Exploration Engineer to both Portman Mining Philippines Inc. and Phoenix Resources Philippines Inc. and Geotechnical Engineer to Pacific Falkon Philippines Inc.

Other current directorships

President of Crescent Mining and Development Corporation and Director of Bezant Holdings Inc.

Former directorships in the last 5 years

None.

Special responsibilities

Mankayan Project: Director of Operations.
Remuneration & Audit Committees.

Interests in shares and options

None.

Dr. Evan Kirby (*Non-Executive Director*) (*Appointed 4 December 2008*)

Experience and Expertise

Evan Kirby, aged 61, is a metallurgist with over 30 years of international involvement. At the end of 1975, he moved to South Africa and worked for Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. In 1992, he moved to Australia to work for Minproc Engineers and then Bechtel Corporation from 1997 until 2002. After leaving Bechtel, he established his own consulting company to continue with his ongoing mining project involvement. Evan's personal "hands on" experience covers the financial, technical, engineering and environmental issues associated with a wide range of mining and processing projects.

Other current directorships

Managing Director of Luiri Gold Limited (listed on ASX), Non-executive Director of Nyota Minerals Limited (listed on AIM and ASX) and Director of Metallurgical Management Services Pty. Limited.

Former directorships in the last 5 years

China Goldmines Plc (formerly listed on AIM), Sylvania Resources Limited (formerly listed on ASX, currently listed on AIM as Sylvania Platinum Limited), Great Australian Resources Limited (formerly listed on ASX).

Board of directors (continued)

Special responsibilities

Remuneration & Audit Committees.

Interests in shares and options

None.

Mr. Laurence Read (*Non-Executive Director*) (*Appointed 15 October 2012*)

Experience and Expertise

Mr. Laurence Read, aged 35, has spent the last 12 years advising natural resources companies, funds and advisers on strategic development and global investor relations. He has experience working with off-take groups, producers, resource developers, service providers and explorers across a diverse range of minerals.

Other current directorships

Chief Executive Officer of Mowbrai Limited.

Former directorships in the last 5 years

None.

Equity Partner of Porta Communications which had a controlling stake in Threadneedle Communications Limited.

Special responsibilities

Remuneration Committee.

Interests in shares and options

None.

Directors' report
For the year ended 30 June 2012

The Directors present their report together with the audited accounts of Bezant Resources Plc and its subsidiary undertakings (the "Group" or "Bezant") for the year ended 30 June 2012.

Principal activity

The Company is registered in England and Wales, having been first incorporated on 13 April 1994 under the Companies Act 1985 with registered number 2918391 as a public company limited by shares, in the name of Yieldbid Public Limited Company. On 19 September 1994, the Company changed its name to Voss Net Plc, with a second change of name to that of Tanzania Gold Plc on 27 September 2006. On 9 July 2007, the Company adopted its current name of Bezant Resources Plc.

The Company was listed on AIM, a market operated by the London Stock Exchange, on 14 August 1995.

The principal activity of the Group is natural resource exploration, development and beneficiation.

Its FTSE Sector classification is that of Mining and FTSE Sub-sector that of Gold Mining.

Results and dividends

The Group's results for the year are set out in the financial statements. The Directors do not propose recommending any distribution by way of dividend for the year ended 30 June 2012.

Principal risks and uncertainties facing the Company

The principal risks and uncertainties facing the Company are the risk of not finding adequate mineral reserves, risks associated with securing personnel, services and equipment required to develop its assets and uncertainties concerning fluctuations in commodity prices and foreign exchange rates. However, the Company has managed to secure service contracts in relation to its exploration activities (currently limited to the Philippines and Argentina) on a timely basis, such that our projects continue to be developed in accordance with applicable work programmes, and has established various networks of contacts, key contractors and other personnel to assist in their further development. The Company is also exposed to sovereignty risks relating to potential changes of local Governments and possible subsequent changes in jurisdiction concerning the maintenance or renewal of licences and the equity position permitted to be held in the Company's subsidiaries.

Further, at the date of this report, Gold Fields has yet to officially inform the Company of its intentions in respect of the potential exercise of its Option over our Mankayan Project, as approved by shareholders at the General Meeting held on 26 October 2011, which lapses on 31 January 2013.

Performance of the Company

The Company is an exploration entity whose assets comprise early-stage projects that are not yet at the production stage. Currently, no revenue is generated from such projects. The key performance indicators for the Company are therefore linked to the achievement of project milestones and the increase in overall enterprise value.

Group structure and changes in share capital

Details of movements in share capital during the year are set out in Note 20 to the financial statements.

Directors

The following directors have held office during and subsequent to the reporting period:

Gerry Nealon
Bernard Olivier
Ronnie Siapno
Evan Kirby
Laurence Read (*appointed 15 October 2012*)

Directors' interests

The beneficial and non-beneficial interests of the current and immediate past directors and related parties in the Company's shares were as follows:

	30 June 2012			30 June 2011	
	Ordinary shares of 0.2p each	Share options	Notes	Ordinary shares of 0.2p each	Share options
G. Nealon	363,000	439,560	(1)	–	439,560
B. Olivier	497,800	219,780	(2)	–	219,780
R. Siapno	–	–	–	–	–
E. Kirby	–	–	–	–	–
L. Read	–	–	–	–	–

Notes:

(1) 439,560 share options granted on 15 June 2007 with an exercise price of 91 pence per share.

(2) 219,780 share options granted on 15 June 2007 with an exercise price of 91 pence per share.

Report on directors' remuneration and service contracts

This report has been prepared in accordance with the requirements of Chapter 6 of Part 15 of the Companies Act 2006 and also meets the requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles of good governance relating to Directors' remuneration set out in the UK Corporate Governance Code.

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of the necessary calibre and to reward them for enhancing value to shareholders. The performance measurement of the Executive Directors and key members of senior management and the determination of their annual remuneration packages is undertaken by the Remuneration Committee. The remuneration of Non-Executive Directors is determined by the Board within limits set out in the Articles of Association.

Executive Directors are entitled to accept appointments outside the Company providing the Board's permission is sought.

The service contracts of all the Executive and Non-Executive Directors are all subject to a twelve month termination period. Under the current service contracts, the Executive Chairman and the Chief Executive Officer are paid £130,000 and £120,000 in total per annum respectively, as direct salary and Directors' fees, with these amounts being paid to the Consulting company of each Director.

Each Non-Executive Director is entitled to receive up to £15,000 per annum as Directors' Fees along with relevant Consulting Fees as applicable, with the aggregate of Salary, Directors' Fees and Consulting fees detailed in the Directors' Remuneration Summary Table below and in Note 27.

Each Director is also paid all reasonable expenses incurred wholly, necessarily and exclusively in the proper performance of his duties.

Pensions

The Group does not operate a pension scheme and has not paid any contributions to any pension scheme for Directors or employees.

Directors' remuneration

Remuneration of the Directors was as follows:

	Directors' Fees	Salary and Consulting Fees	Superannuation & 'ER NIC	Related Party Payments	Share based payment – shares and options	Total
	£	£	£	£	£	£
G. Nealon	15,000	115,000	–	260,000	–	390,000
B. Olivier	15,000	105,000	–	240,000	–	360,000
R. Siapno	12,000	11,933	–	–	–	23,933
E. Kirby	15,000	35,000	–	–	–	50,000
L. Read	–	–	–	–	–	–

Notes:

1. Directors' remuneration shown above comprises all of the salaries, Directors' fees, consulting fees and other benefits and emoluments paid to Directors for the financial year ended 30 June 2012.
2. Related party payments awarded by the Remuneration Committee – see Note 27 for further details.
3. All share options are now vested in full.

Environment, Health, Safety and Social Responsibility Policy Statement

The Company adheres to the above Policy, whereby all operations are conducted in a manner that protects the environment, the health and safety of employees, third parties and the entire local communities in general.

The Company is now principally involved in two exploration projects, located within the Philippines and Argentina respectively. During the reporting period, the Company finalised negotiations for a Net Smelter Royalty position in lieu of any further expenditure on its maiden exploration project in Tanzania and is not aware of any issues concerning its historical exploration activities since completion.

The Company has also submitted suitable Environmental Programmes to the relevant authorities in both the Philippines and Argentina in accordance with applicable law, having been duly approved or awaiting approval respectively, prior to the instigation of exploration activities. The Company is still awaiting formal approval of its Environmental Impact Assessment ("EIA"), submitted in respect of its "Eureka Project" in Argentina.

During the reporting period, both of our current operations were closely managed in order to maintain our policy aims, with no matters of concern arising. There have been no convictions in relation to breaches of any applicable legislation recorded against the Group during the reporting period.

Substantial & Significant Shareholdings

The Company has been notified, in accordance with Chapter 5 of the FSA's Disclosure and Transparency Rules, or is aware, of the following interests in its ordinary shares as at 13 November 2012 of those shareholders with a 3% and above equity holding in the Company.

	Number of Ordinary Shares	Percentage of issued share capital
Vidacos Nominees Limited	7,980,500	12.28%
Roy Nominees Limited	6,852,801	10.54%
W B Nominees Limited	6,253,999	9.62%
Rathbone Nominees Limited	4,549,744	7.00%
TD Direct Investing Nominees (Europe) Limited	3,802,772	5.85%
Barclayshare Nominees Limited	2,885,245	4.44%
Vestra Nominees Limited	2,778,689	4.28%

Issue of Warrants

The Warrants originally issued to Strand Hanson Securities Limited (formerly named Strand Partners Securities Limited) on 4 September 2006 as part of the Company's re-admission process, were extended on identical terms for a further exercise period of three years, commencing 4 May 2012.

Creditor Payment Policy and Practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

Political and charitable contributions

There were no political or charitable contributions made by the Group during the year ended 30 June 2012.

Information to Shareholders – Website

The Company has its own web-site (www.bezantresources.com) for the purposes of improving information flow to shareholders, as well as to potential investors.

Statement of responsibilities of those charged with Governance

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards as adopted by the European Union. Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that year.

In preparing those financial statements, the Directors are required to:

– select suitable accounting policies and then apply them consistently;

– make judgements and estimates that are reasonable and prudent;

– state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

– prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the Company (and the Group) and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company (and the Group) and for taking steps for the prevention and detection of fraud and other irregularities.

In addition, they are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of disclosure to auditor

So far as the Directors, at the time of approval of their report, are aware:

– there is no relevant audit information of which the Company's auditors are unaware, and

– the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

UHY Hacker Young LLP have expressed their willingness to continue as the auditors of the Company, and in accordance with section 489 of the Companies Act 2006, a resolution to re-appoint them will be proposed at the Company's forthcoming Annual General Meeting.

Annual General Meeting

The Company will hold an Annual General Meeting on Friday 7 December 2012 and the wording of each resolution to be tabled is set out in the attached Notice of Meeting.

Resolution 6, which is to be tabled as a special resolution, is to grant the Directors the authority to allot shares on a non pre-emptive basis. This authority to allot enables the Company to meet its obligations, if required, in accordance with the Share Option Plan ratified by the Company's shareholders at a general meeting of the Company held on 9 July 2007 and also the Warrants issued to Strand Hanson Securities Limited on 4 May 2012.

The Directors are not requesting any additional general authority for the allotment of equity securities on a non-pre-emptive basis, to raise cash at the Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting and who wish to appoint a proxy in their place must ensure that their proxy is appointed in accordance with the provisions set out in the Notice of Meeting **by 11.00 a.m. on 5 December 2012**.

By order of the Board

Gerard A. Nealon
Executive Chairman

14 November 2012

Corporate governance

The UK Corporate Governance Code

The Company is listed on AIM, a market operated by the London Stock Exchange, and is not required to comply with the requirements of The UK Corporate Governance Code (the "Code"). However, the Board is committed to the high standards of good corporate governance prescribed in the Code and seeks to apply its principles, in so far as practicable, having regard to the current size and structure of the Group. The Board is accountable to the Company's shareholders and seeks to comply in all material respects with the Corporate Governance Guidelines for Smaller Quoted Companies (September 2010).

Board of Directors and Committees

During the financial year, the Directors met on a frequent basis, with three of the five Directors operating from within the same office. The Board currently consists of two executive Directors (being the Chairman and CEO), along with three non-executive Directors. Therefore, at least half of the Board is comprised of non-executive Directors, as recommended by the Code.

The Board is responsible for determining policy and business strategy, setting financial and other performance objectives and monitoring achievement. The Chairman takes responsibility for the conduct of the Company and Board meetings and ensures that directors are properly briefed to enable full and constructive discussions to take place. However, no formal schedule of Board Meetings has been deemed necessary to date and no schedule of matters specifically reserved to the Board for decision, has yet been established.

To enable the Board to function effectively and to discharge its duties, Directors are given full and timely access to all relevant information. They have ready access to the advice and services of the Company's Solicitors, along with the Company Secretary and may seek independent advice at the expense of the Company, where appropriate. However, no formal procedure has been agreed with the Board regarding the circumstances in which individual directors may take independent professional advice.

The Code states that there should be a nomination committee to deal with the appointment of both executive and non-executive Directors except in circumstances where the Board is small. The Directors consider the size of the current board to be small and have not therefore established a nomination committee. The appointment of executive and non-executive Directors is currently a matter for the Board as a whole. This position will be reviewed should the number of directors increase substantially.

The current Directors' biographical details are set out on pages 9, 10 and 11.

The non-executive Directors are independent of management and are free from any business or any other relationship which could interfere materially with the exercise of their independent judgement. The non-executive Directors are appointed for specified terms and are subject to re-election and to the Companies Act provisions relating to the removal of a Director. Reappointment of non-executive Directors is not automatic.

Under the Company's Articles of Association, the appointment of all new Directors must be approved by shareholders in a general meeting. In addition, one third of Directors are required to retire and to submit themselves for re-election at each Annual General Meeting.

The Directors have established the following two committees, both of which report to the Board and have written terms of reference which deal clearly with their respective authorities and duties.

Audit committee

The audit committee receives reports from management and the external auditors relating to the interim report and the annual report and financial statements, reviews reporting requirements and ensures that the maintenance of accounting systems and controls is effective. The audit committee is comprised of two non-executive Directors, namely Dr. Evan Kirby and Mr. Ronnie Siapno.

The audit committee has unrestricted access to the Company's auditors. The audit committee also monitors the controls which are in force and any perceived gaps in the control environment. The Board believes that the current size of the Group does not justify the establishment of an independent internal audit department. Finance personnel are periodically instructed to conduct specific reviews of business functions relating to key risk areas and to report their findings to the Board.

Remuneration committee

The remuneration committee determines the scale and structure of the remuneration of the executive Directors and approves the granting of options to Directors and senior employees and the performance related conditions thereof. The remuneration committee is comprised of all the non-executive Directors, namely Dr. Evan Kirby, Mr. Ronnie Siapno and Mr. Laurence Read.

The remuneration and terms and conditions of appointment of the non-executive Directors is determined by the Board.

Internal control

The Board is responsible for establishing and maintaining the Group's system of internal control. Internal control systems manage rather than eliminate the risks to which the Group is exposed and such systems, by their nature, can provide reasonable but not absolute assurance against misstatement or loss. There is a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures which the Directors have established with a view to providing effective internal control, are as follows:

- Identification and control of business risks

  The Board identifies the major business risks faced by the Group and determines the appropriate course of action to manage those risks.

- Budgets and business plans

  Each year the Board approves the business plan and annual budget. Performance is monitored and relevant action taken throughout the year through the regular reporting to the Board of changes to the business forecasts.

- Investment appraisal

  Capital expenditure is controlled by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Board. Appropriate due diligence work is carried out if a business or asset is to be acquired.

- Annual review and assessment

  The Board is currently carrying out a detailed review and assessment of the effectiveness of the Group's system of internal control, a process that will be maintained on an annual basis.

Going concern

The Group meets its day to day working capital requirements through the cash balances held with its bankers.

The Directors have formed the judgement that at the time of approving the financial statements, the Group and the Company had adequate resources to continue in existence for the foreseeable future. Therefore, the Directors consider the adoption of the going concern basis in preparing the financial statements to be appropriate. Currently, the Company does not seek any borrowings to operate the Company and all future supplemental funding may be assisted through investors, as and when required, in order to finance working capital requirements and potential new project opportunities, as they may develop. It is also intended that any further significant funding may be addressed through the suitable disposal of assets, subject to the prior approval of shareholders at a duly convened General Meeting where appropriate.

Relations with shareholders

The Board attaches considerable importance to the maintenance of good relationships with shareholders. Presentations by the Directors to institutional shareholders and City analysts are made as and when considered appropriate by the Board and the Company's advisers.

All shareholders are invited to attend the Annual General Meeting and all General Meetings, when required, and are encouraged to take the opportunity of putting questions to the Board.

The Annual General Meeting is regarded as an opportunity to communicate directly with private shareholders.

Dr. Evan Kirby
Non-executive Director

14 November 2012

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

UHY Hacker Young
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BEZANT RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2012

We have audited the financial statements of Bezant Resources plc for the year ended 30 June 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of responsibilities of those charged with governance, set out on pages 15 and 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2012 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

UHY Hacker Young
Chartered Accountants

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BEZANT RESOURCES PLC (continued)
FOR THE YEAR ENDED 30 JUNE 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Guy Swarbreck (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

14 November 2012

Bezant Resources Plc

Group Statement of Comprehensive Income
For the year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
Continuing operations			
Group revenue		–	–
Cost of sales		–	–
Gross profit/(loss)		–	–
Administrative expenses	3	(1,652)	(1,555)
Impairment expenses	4	–	–
Group operating loss	5	(1,652)	(1,555)
Interest receivable	6	9	5
Other income		–	–
Total income		9	5
Share of Associates' loss		(193)	–
Loss before taxation		(1,836)	(1,550)
Taxation	8	–	–
Loss for the year		(1,836)	(1,550)
Attributable to:			
Equity holders of the Company		(1,836)	(1,550)
Other comprehensive income:			
Foreign currency reserve movement		143	58
Total comprehensive expense for the year attributable to equity holders of the Company		(1,693)	(1,492)
Loss per share (pence)			
Basic & Diluted	9	(2.82p)	(2.88p)

Statement of Changes in Equity
For the year ended 30 June 2012

	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Accumulated Losses £'000	Total Equity £'000
Consolidated					
Balance at 1 July 2011	**1,067**	**30,691**	**390**	**(17,430)**	**14,718**
Current year loss	**–**	**–**	**–**	**(1,836)**	**(1,836)**
Foreign currency reserve	**–**	**–**	**143**	**–**	**143**
Total comprehensive expenses for the year	**–**	**–**	**143**	**(1,836)**	**(1,693)**
Share issues	**–**	**–**	**–**	**–**	**–**
Share issue costs	**–**	**–**	**–**	**–**	**–**
Cost of share-based payments	**–**	**–**	**–**	**–**	**–**
Balance at 30 June 2012	**1,067**	**30,691**	**533**	**(19,266)**	**13,025**
Consolidated					
Balance at 1 July 2010	1,032	23,810	332	(15,880)	9,294
Current year loss	–	–	–	(1,550)	(1,550)
Foreign currency reserve	–	–	58	–	58
Total comprehensive expenses for the year	–	–	58	(1,550)	(1,492)
Share issues	35	7,118	–	–	7,153
Share issue costs	–	(237)	–	–	(237)
Cost of share-based payments	–	–	–	–	–
Balance at 30 June 2011	1,067	30,691	390	(17,430)	14,718

Bezant Resources Plc

Statement of Changes in Equity
For the year ended 30 June 2012 (continued)

	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Accumulated Losses £'000	Total Equity £'000
Company					
Balance at 1 July 2011	**1,067**	**30,691**	**265**	**(17,292)**	**14,731**
Current year loss	**–**	**–**	**–**	**(1,633)**	**(1,633)**
Foreign currency reserve	**–**	**–**	**142**	**–**	**142**
Total comprehensive expenses for the year	**–**	**–**	**142**	**(1,633)**	**(1,491)**
Share issues	**–**	**–**	**–**	**–**	**–**
Share issue costs	**–**	**–**	**–**	**–**	**–**
Cost of share-based payments	**–**	**–**	**–**	**–**	**–**
Balance at 30 June 2012	**1,067**	**30,691**	**407**	**(18,925)**	**13,240**
Company					
Balance at 1 July 2010	1,032	23,810	265	(15,759)	9,348
Current year loss	–	–	–	(1,533)	(1,533)
Total comprehensive expenses for the year	–	–	–	(1,533)	(1,533)
Share issues	35	7,118	–	–	7,153
Share issue costs	–	(237)	–	–	(237)
Cost of share-based payments	–	–	–	–	–
Balance at 30 June 2011	1,067	30,691	265	(17,292)	14,731

Bezant Resources Plc

Consolidated and Company Balance Sheets
As at 30 June 2012

	Notes	Consolidated 2012 £'000	Consolidated 2011 £'000	Company 2012 £'000	Company 2011 £'000
ASSETS					
Non-current assets					
Intangible assets – goodwill	**14**	**–**	–	**–**	–
Plant and equipment	**15**	**43**	23	**21**	23
Investment in subsidiary	**16**	**–**	–	**–**	–
Investments	**16**	**7,679**	7,783	**9,602**	7,959
Deferred exploration and evaluation costs	**17**	**4,784**	2,532	**3,109**	2,532
Total non-current assets		**12,506**	10,338	**12,732**	10,514
Current assets					
Trade and other receivables	**13**	**25**	16	**24**	16
Cash at bank and in hand		**4,287**	4,418	**4,203**	4,255
Total current assets		**4,312**	4,434	**4,227**	4,271
TOTAL ASSETS		**16,818**	14,772	**16,959**	14,785
LIABILITIES					
Current liabilities					
Trade and other payables	**18**	**3,793**	54	**3,719**	54
Total current liabilities		**3,793**	54	**3,719**	54
NET ASSETS		**13,025**	14,718	**13,240**	14,731
EQUITY					
Share capital	**20**	**1,067**	1,067	**1,067**	1,067
Share premium account	**20**	**30,691**	30,691	**30,691**	30,691
Share based payment reserve	**22**	**265**	265	**265**	265
Other reserves	**22**	**268**	125	**142**	–
Accumulated losses	**22**	**(19,266)**	(17,430)	**(18,925)**	(17,292)
SHAREHOLDERS' EQUITY		**13,025**	14,718	**13,240**	14,731

These financial statements were approved by the Board of Directors on 14 November 2012 and signed on its behalf by:

Gerard A. Nealon
Executive Chairman

Company Registration No. 02918391

Bezant Resources Plc

Consolidated and Company Cash Flow Statements
For the year ended 30 June 2012

	Notes	Consolidated 2012 £'000	Consolidated 2011 £'000	Company 2012 £'000	Company 2011 £'000
Consolidated					
Net cash outflow from operating activities	**24**	**(1,653)**	(1,649)	**(1,712)**	(1,576)
Cash flows from investing activities					
Interest received		**9**	5	**8**	5
Other income		**60**	39	**60**	39
Proceeds from sale of investments		**–**	–	**–**	–
Payments for plant and equipment		**(6)**	(5)	**(6)**	(5)
Payments to fund exploration		**(598)**	(128)	**(566)**	(128)
Payments to acquire subsidiary		**(1,344)**	–	**–**	(7)
Payments to acquire associates		**–**	(314)	**(403)**	–
Loans to associates and subsidiaries		**(353)**	(144)	**(1,146)**	(628)
Deposit for grant of option		3,610	–	**3,610**	–
Net cash outflow from investing activities		**1,378**	(547)	**1,557**	(724)
Cash flows from financing activities					
Cash proceeds from issue of shares		**–**	4,749	**–**	4,749
Share issue costs		**–**	(237)	**–**	(237)
		–	4,512	**–**	4,512
(Decrease)/ Increase in cash		**(275)**	2,316	**(155)**	2,212
Cash and cash equivalents at beginning of year		**4,418**	1,938	**4,255**	1,938
Foreign exchange movement		**144**	164	**103**	105
Cash and cash equivalents at end of year		**4,287**	4,418	**4,203**	4,255

General information

Bezant Resources plc is a company incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the corporate directory. The Group is listed on AIM and has the TIDM code of BZT. Information required by AIM Rule 26 is available in the section of the Group's website with that heading at www.bezantresources.com.

1. Accounting policies

1.1 Accounting policies

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

Basis of preparation

The financial information, which incorporates the financial information of the Company and its subsidiary undertakings (the "Group"), has been prepared using the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") including IFRS 6 'Exploration for and Evaluation of Mineral Resources', as adopted by the European Union ("EU").

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings and have been prepared using the principles of acquisition accounting, which includes the results of the subsidiaries from their dates of acquisition.

All intra-group transactions, income, expenses and balances are eliminated fully on consolidation.

A subsidiary undertaking is excluded from the consolidation where the interest in the subsidiary undertaking is held exclusively with a view to subsequent resale and the subsidiary undertaking has not previously been consolidated in the consolidated accounts prepared by the parent undertaking.

Business combination

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

Investment in associated companies is accounted for using the equity method.

1.1 Accounting policies (continued)

New IFRS standards and interpretations not applied

There were no IFRS standards or IFRIC interpretations adopted for the first time in these financial statements that had a material impact on the Group/Company's financial statements.

At the date of approval of these financial statements, the following Standards and Interpretations which may be applicable to the Group, but have not been applied in these financial statements, were in issue but not yet effective:

International Financial Reporting Standards (IFRS/IFRIC)		*Effective date – financial periods beginning on or after*
IAS 27	Separate Financial Statements	1 January 2013
IAS 28	Investments in Associates and Joint Ventures	1 January 2013
IFRS 9	Financial Instruments – Classification and Measurement	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interest in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment to IAS 1)	1 July 2012
IAS 12	Deferred Tax: Recovery of Underlying Assets(Amendments to IAS 12)	1 January 2012
IAS 19	Employee Benefits (2011)	1 January 2013
IAS 32	Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 1	Amendments to IFRS 1 Government Loans	1 January 2013
IFRS 7	Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual improvements to IFRSs (2009 – 2011)		1 January 2013
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance		1 January 2013

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements in the period of initial adoption.

1.2 Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with directors, consultants and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model.

1.2 Significant accounting judgments, estimates and assumptions (continued)

Impairment of investments:

The Group determines whether investments are impaired when indicators, based on facts and circumstances, suggest that the carrying amount may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial mining reserves exist in the associate in which the investment is held, obviously pending completion of the exploration activities associated with any specific project in each segment.

1.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue from the sale of goods (precious and base metals) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1.4 Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trade. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

1.4 Financial assets (continued)

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade-date, being the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all the financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cashflows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the statement of comprehensive income within ‘other (losses)/gains’ in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cashflow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

1.5 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

1.6 Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.7 Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

1.8 Foreign currency transactions and balances

(i) Functional and presentational currency

Items included in the Group's financial statements are measured using Pounds Sterling ("£"), which is the currency of the primary economic environment in which the Group operates ("the functional currency").The financial statements are presented in Pounds Sterling ("£"), which is the functional currency of the Company and is the Group's presentational currency.

The individual financial statements of each Group company are presented in the functional currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

1.9 Interest in jointly controlled entities

The Group's interests in jointly controlled entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in jointly controlled entities are brought to account using the cost method. Where the Group acquires an interest in a jointly controlled entity, the acquisition cost is amortised on a basis consistent with the method of amortisation used by the jointly controlled entity in respect to assets to which the acquisition costs relate.

1.10 Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

1.11 Plant and equipment (continued)

Depreciation on these assets is calculated using the diminishing value method to allocate the cost less residual values over their estimated useful lives as follows:

Plant and equipment – 33.33%
Fixtures and fittings – 7.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the balance sheet date.

1.12 Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss account.

1.13 Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

1.14 Share-based payments

The Company offered share-based payments to certain employees, directors and advisers by way of issues of share options, none of which to date have been exercised. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest. All of the Company's share-based payments are currently vested in full.

1.15 Goodwill

Goodwill is the difference between the amount paid on the acquisition of subsidiary undertakings and the aggregate fair value of their separable net assets. Goodwill is capitalised as an intangible asset and in accordance with IFRS 3 'Business Combinations' is not amortised but tested for impairment when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale.

1.16 Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

1.16 Exploration and evaluation expenditure (continued)

Costs of site restoration are provided when an obligating event occurs from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

2. Segment reporting

For the purposes of segmental information, the operations of the Group are focused in four geographical segments, namely the UK, Tanzania, Argentina and the Philippines and comprise one class of business: the exploration, evaluation and development of mineral resources. The UK is used for the administration of the Group.

The Group's operating loss arose from its operations in the UK, Tanzania, Argentina and the Philippines.

For the year ended 30 June 2012

	UK £'000	Tanzania £'000	Argentina £'000	Philippines £'000	Total £'000
Consolidated operating loss	(1,632)	–	(11)	(193)	(1,836)
Included in the consolidated operating loss are the following income/(expense) items:					
Depreciation	(8)	–	–	–	(8)
Interest received	9	–	–	–	9
Foreign currency gain/(loss)	56	–	(2)	–	54
Total Assets	4,317	–	4,823	7,678	16,818
Total Liabilities	(182)	–	(1)	(3,610)	(3,793)
Expenditure for reportable segment, non-current assets	5	–	–	–	5

For the year ended 30 June 2011

	UK £'000	Tanzania £'000	Argentina £'000	Philippines £'000	Total £'000
Consolidated operating loss	(1,533)	(17)	–	–	(1,550)
Included in the consolidated operating loss are the following income/(expense) items:					
Depreciation	(10)	–	–	–	(10)
Interest received	5	–	–	–	5
Foreign currency loss	(91)	–	–	–	(91)
Loss arising from the impairment of assets	–	–	–	–	–
Share based payments	–	–	–	–	–
Total Assets	4,456	–	2,868	7,448	14,772
Total Liabilities	(54)	–	–	–	(54)
Expenditure for reportable segment, non-current assets	5	–	–	–	5

3. Administrative expenses

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Ongoing administrative expenses	**1,583**	1,490
Depreciation and amortisation	**8**	10
Acquisition related costs	**61**	55
Share-based payment expense	**–**	–
	1,652	1,555

4. Impairment expenses

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Exploration expenditure	**–**	–
Interest in Joint Venture	**–**	–
Investment in listed company	**–**	–
	–	–

5. Operating loss

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
The Group's operating loss is stated after charging/(crediting):		
Parent Company auditor's remuneration – audit services	**30**	31
Parent Company auditor's remuneration – tax services	**2**	1
Parent Company auditor's remuneration – other services	**1**	–
Share-based payment expense	**–**	–
Depreciation of tangible assets	**8**	10
Foreign exchange (gain)/loss	**(54)**	91

6. Interest receivable

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Bank interest receivable	**9**	5

7. Interest payable

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Bank interest payable	**–**	–

8. Taxation

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
UK Corporation tax		
– current year	**–**	–
Total current tax charge	**–**	–
Factors affecting the tax charge for the year:		
Loss on ordinary activities before tax	**(1,836)**	(1,550)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax of 25.5% (2011: 26%)	**(468)**	(403)
Effects of:		
Non-deductible expenses	**18**	18
Tax losses	**450**	385
Current tax charge	**–**	–

The standard rate of UK corporation tax is 25.5%.

At the balance sheet date, the Group has unused losses carried forward of £7,176,000 (2011: £5,408,000) available for offset against suitable future profits. Most of the losses were sustained in the United Kingdom.

A deferred tax asset has not been recognised in respect of such losses due to the uncertainty of future profit streams. The contingent deferred tax asset is estimated to be £1,697,000 (2011: £1,406,000).

9. Loss per share

The basic and diluted loss per share have been calculated using the loss for the 12 months ended 30 June 2012 of £1,836,000 (2011: £1,550,000). The basic loss per share was calculated using a weighted average number of shares in issue of 64,993,603 (2011: 53,805,262).

The diluted loss per share has been calculated using an additional weighted average number of shares in issue and to be issued of 67,689,734 (2011: 56,003,062).

The diluted loss per share and the basic loss per share are recorded as the same amount, as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

10. Holding company profit and loss account

In accordance with the provisions of Section 408 of the Companies Act 2006, the Parent Company has not presented a separate income statement. A loss for the 12 month period ended 30 June 2012 of £1,632,000 (2011: £1,533,000) has been included in the profit and loss account.

11. Directors' emoluments

The Directors' emoluments of the Group are as follows:

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Wages, salaries and fees	**824**	224
Share-based payments	**–**	–
	824	224

12. Employee information

	Year ended 30 June 2012	Year ended 30 June 2011
Average number of employees including directors:		
Management and technical	**5**	5

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Salaries	**34**	20
Share-based payments	**–**	–
	34	20

13. Trade and other receivables

	Consolidated		**Company**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Due within one year:				
VAT recoverable	**18**	15	**18**	15
Other debtors	**1**	–	**–**	–
Prepayments	**6**	1	**6**	1
	25	16	**24**	16

14. Intangible assets

	Year ended 30 June 2012 £'000
Goodwill	
Cost	
At 1 July 2011	**4,500**
Additions	**–**
At 30 June 2012	**4,500**
Impairment	
At 1 July 2011	**4,500**
Impairment charge for the period	**–**
At 30 June 2012	**4,500**
Net book value as at 30 June 2012	**–**

15. Plant and equipment

	Consolidated		Company	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Plant and equipment				
Cost				
At 1 July 2011	**54**	54	**55**	50
Additions	**28**	5	**5**	5
Disposals	**–**	(5)	**–**	–
At 30 June 2012	**82**	54	**60**	55
Depreciation				
At 1 July 2011	**31**	24	**32**	22
Charge for the period	**8**	10	**7**	10
Disposals	**–**	(3)	**–**	–
At 30 June 2012	**39**	31	**39**	32
Net book value as at 30 June	**43**	23	**21**	23

16. Investments

16.1 Joint Venture investments

In May 2005, Anglo Tanzania Gold Limited ("ATGL"), a wholly owned subsidiary of the Company, entered into a Joint Venture agreement with Ashanti Exploration Tanzania Limited ("Ashanti"), known as the Mkurumu Joint Venture ("Mkurumu" or "JV"). The agreement was subsequently amended in late August 2006.

The principal objective of the JV was to carry out prospecting operations on the Prospecting Area, with the view ultimately to developing and exploiting economically viable Mineral Substances occurring on, in and under the Prospecting Area. The relationship of the Parties under the agreement was contractual

16.1 Joint Venture investments (continued)

only and was not intended to constitute a partnership or to create any fiduciary relationship between the parties.

Ashanti originally held a 92% share of the Prospecting Area and the Mafulira Village Mining Company Limited held, and currently still holds, an 8% share. Following the successful completion of a two-staged exploration programme, ATGL obtained a 46% interest in the Mkurumu project from Ashanti and consequently held an equal interest to that of Ashanti.

It was envisaged that all expenditure incurred in the carrying out of prospecting operations up until the pre-feasibility stage was to be accounted for by ATGL as an 'Investment' and all costs that were directly attributable to the JV were to be capitalised in the Balance Sheet as such under Fixed Assets. As previously reported, all costs associated with the Mkurumu project have subsequently been impaired as follows:

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Investment in Mkurumu project	**538**	538
(Provision for impairment of Investment in JV)	**(538)**	(538)
Net carrying value	**–**	–

In March 2012, the Company negotiated a new agreement with Ashanti such that the Group now holds a reduced free carried interest of 5 per cent. in the Mkurumu Project together with a Net Smelter Return Royalty of 2 per cent. of any potential future Net Smelter Return due to AETL.

16.2 Other investments

	Consolidated		**Company**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Investment in associates	**5,421**	5,614	**6,120**	5,621
Investment (Note 16.3.1)	**–**	314	**–**	–
Loan to associate	**2,258**	1,835	**2,258**	1,835
Loan to subsidiary	**–**	–	**1,806**	1,065
(Provision for loan recoverability)	**–**	–	**(582)**	(582)
Loan to administration provider	**–**	20	**–**	20
	7,679	7,783	**9,602**	7,959

16.2.1 Investment in associates

	Consolidated		**Company**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Acquisition of interest in associate				
As at 1 July	**5,614**	5,614	**5,621**	5,614
Movement for the year	**(193)**	–	**499**	7
As at 30 June	**5,421**	5,614	**6,120**	5,621

16.2.2 The Group's share of the results of its associate and its assets and liabilities are as follows:

Crescent Mining and Development Corporation which operates in the Philippines

	2012 £'000	2011 £'000
Assets	**795**	678
Liabilities	**952**	773
Profit/(loss) for the year	**(57)**	(16)
% Interest Directly Held	**40**	40
% Interest Indirectly Held	**24**	24
% Interest held – Total	**64***	64*

The Group's direct and indirect holding in Crescent Mining and Development Corporation ("CMDC") amounts to 64% (*) of the total share capital of CMDC. However, some of the Group's holdings are held through a separate Filipino entity, in which the Group does not exercise control but merely has minority influence. Accordingly, it is the opinion of the Directors that the Group does not exercise control over CMDC and it is therefore treated as an associated company.

In the event that the option referred to in Note 18 is exercised, the £2,010,000 loan due from Crescent Mining and Development Corporation would be assigned to the option holder.

Bezant Holdings Inc. which operates in the Philippines

	2012 £'000	2011 £'000
Assets	**16**	16
Liabilities	**12**	12
Profit/(loss) for the year	**(1)**	1
% Interest held	**40**	40

16.3 Investments – subsidiary undertakings

Subsidiary undertakings of the Group as at 30 June 2012 were as follows:

	Acquisition date	Total £'000
Tanzania Gold Limited	29 September 2006	**4,500**
Impairment of investment		**(4,500)**
Net book value as at 30 June 2012		**–**
Eureka Mining & Exploration SA	23 November 2010	**24**
Impairment of investment		**–**
Net book value as at 30 June 2012		**24**
Puna Metals SA	03 January 2012	**1,665**
Impairment of investment		**–**
Net book value as at 30 June 2012		**1,665**

16.3 Investments – subsidiary undertakings (continued)

The Group's subsidiary undertakings held as fixed asset investments as at 30 June 2012 were as follows:

	Country of incorporation	Principal Activity	Percentage of ordinary share capital held
Tanzania Gold Limited	Ireland	Holding Company	100%
Anglo Tanzania Gold Limited	England	Gold and copper exploration (held indirectly)	100%
Asean Copper Investments Limited	British Virgin Islands	Holding Company	100%
Eureka Mining & Exploration SA	Argentina	Gold and copper exploration (held indirectly)	100%
Puna Metals SA	Argentina	Gold and copper exploration (held indirectly)	100%

16.3.1 Business combinations

On 7 December 2010, the Company announced that it had entered into an Asset Purchase Agreement (the "APA") under which it was assigned the exclusive rights and obligations in respect of an Exploration Agreement with an Option to Purchase and Side Letter (together the "Option Agreement") to acquire up to 100% of a newly incorporated company (Puna Metals S.A. ("Puna")), holding a package of 11 prospective copper and gold exploration licences in the province of Jujuy, north-west Argentina (the "Eureka Project").

The APA required the Company to issue an initial four million new ordinary shares and pay a cash consideration of US$200,000, followed by a further tranche of four million new ordinary shares to be issued no later than 30 April 2011, such shares being duly allotted on 18 April 2011.

Accordingly, Puna was recognised as an investment, carried at £314,000, in the Group accounts of 30 June 2011.

The Option Agreement covered a two year period, whereby in return for staggered cash payments of

up to, in aggregate, US$3.9 million to 30 December 2012, the Group could acquire up to 100% of the Eureka Project.

The Company announced that on 4 January 2012, it had, prior to the events described below, paid the first two tranches of US$0.5 million each and owned 27.5% of Puna. The Option Agreement provided for a further payment of US$0.5 million on 1 March 2012 for a further 12.5% and then a final payment of US$2.4 million on 30 December 2012 to acquire the remaining 60%. On 3 January 2012, ATGL had entered into a supplemental agreement to amend and accelerate the original Option Agreement whereby, in return for a cash payment of US$1.6 million, the Group would acquire the 72.5% of Puna that it did not previously own, with an aggregate saving of US$1.3 million on the acquisition costs for the whole project.

16.3.2 Acquisition summary

Puna Metals SA

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Property, plant and equipment	25	–	25
Deferred exploration costs[(i)]	–	1,643	1,643
Trade and other payables	(3)	–	(3)
Net assets at acquisition attributable to the Group's interest and the fair value of total consideration settled by cash payments	22	1,643	1,665

[(i)] The fair value adjustments relate to the recognition of exploration licences which were not previously recognised under historical cost in the books of the acquiree.

The fair value of the Group's interest in Puna immediately prior to 3 January 2012 was £630,000.

The acquisition-related costs incurred were expensed in the period incurred within administrative expenses and amounted to £61,000 in the financial year ended 30 June 2012 and £55,000 in the financial year ended 30 June 2011.

The results for Puna for the financial year ended 30 June 2012 did not include any turnover but showed losses of £20,000. These losses have not been consolidated as they were incurred prior to the acquisition date. Had the acquisition occurred as at 1 July 2011 the consolidated losses of the Group for the year to 30 June 2012 would have been £1,856,000.

17. Deferred exploration and evaluation costs

	Consolidated		Company	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Opening balance	**2,532**	–	**2,532**	–
Acquisition costs incurred during the year	**2,252**	2,532	**577**	2,532
Expenditure written off	**–**	–	**–**	–
Expenditure carried forward at 30 June	**4,784**	2,532	**3,109**	2,532

£1,643,000 of the deferred exploration costs were acquired through the Business Combination with Puna Metals SA as disclosed in note 16.3.2 above. The deferred exploration and evaluation costs were incurred in relation to the acquisition of mining licences and the subsequent performance of various studies to explore the Eureka Project in the Jujuy Province of north-west Argentina.

18. Trade and other payables

	Consolidated		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Trade creditors	**180**	12	**107**	12
Other creditors & accruals	**3,613**	42	**3,612**	42
	3,793	54	**3,719**	54

The Group has received a non-refundable payment for an option to dispose of its subsidiary, Asean Copper Investments Limited. The balance, net of transaction expenses, has been recognised as deferred income and will be recognised in the Income Statement upon the exercise or lapse of the option. The option may be exercised at any point until 31 January 2013.

19. Financial instruments

(a) Interest rate risk

As at 30 June 2012, the Group had sterling cash deposits of £ 1,733,637 (2011: £4,192,947).

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, was as follows:

	2012	**2012**	2011	2011
		Amount		Amount
Financial assets	**%**	**£'000**	%	£'000
Cash in Sterling	**0.21**	**1,734**	0.46	4,193
Cash in US Dollars	**0.16**	**2,387**	–	147
Cash in AUS Dollars	**–**	**150**	–	56
Cash in ARG Pesos	**–**	**16**	–	22
		4,287		4,418

(b) Net fair value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the balance sheet and in the related notes.

(c) Currency risk

The functional currency for the Group's operating activities is the pound sterling and for drilling activities it is Argentinian Pesos in Argentina and US Dollars in the Philippines respectively. The Group has not hedged against currency depreciation but continues to keep the matter under review.

(d) Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

19. Financial instruments (continued)

(e) Liquidity risk management

The Directors have regard to the maintenance of sufficient cash resources to fund the Group's immediate operating and exploration activities. Cash resources are managed in accordance with planned expenditure forecasts.

(f) Capital risk management

The Directors recognise that the Group's capital is its equity reserves. The Group's current objective is to manage its capital in a manner that ensures that the funds raised meet its operating and exploration expenditure commitments. Currently, the Company does not seek any borrowings to operate the Company and all future supplemental funding is raised through investors as and when required in order to finance working capital requirements and potential new project opportunities, as they may develop.

20. Share capital

Number	Class	Nominal value	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Authorised				
690,432,500	Ordinary	0.2p	**1,381**	1,381
7,959,196	Deferred	4p	**319**	319
625,389	Deferred	99p	**619**	619
			2,319	2,319
Allotted, called up and fully paid				
64,993,603	Ordinary	0.2p	**129**	129
7,959,196	Deferred	4p	**319**	319
625,389	Deferred	99p	**619**	619
			1,067	1,067

	Number of shares
The movement in share capital is summarised below:	
As at 1 July 2011	64,993,603
As at 30 June 2012	64,993,603

	2012 £'000
The share premiums arising as a result of the above share transactions were as follows:	
As at 1 July 2011	**30,691**
	30,691
Less: share issue costs	**–**
As at 30 June 2012	**30,691**

20. Share capital (continued)

The deferred shares have no rights to vote or participate in dividends. On a return of capital on liquidation or otherwise (other than on conversion, redemption or purchase by the Company of any of its own shares), holders of deferred shares are entitled, pro rata to their holdings of deferred shares, to be paid out of the assets of the Company available for distribution to the members, after payment to the holders of ordinary shares of the amounts paid up thereon and the sum of £100,000 on each ordinary share, the amount paid up or credited as paid up on the deferred shares. The holders of the deferred shares are not entitled to any further right to participate in the assets of the Company.

21. Share based payment

During the year the Company had the following share-based payment plans involving equity settled share options and warrants in existence:

Scheme	**Number**	**Date granted**	**Exercise price**	**Maximum term**	**Vesting conditions**
Share options	2,397,800	12/01/2007	91p	10 years	Vested in three equal parts to 15 June 2010
Warrants	974,904(i)	04/09/2006	50p	6 years	Vested immediately upon being granted
Warrants	974,904(i)	14/05/2012	50p	3 years	Vested immediately upon being granted

(i) "Exploding Warrants" representing 1.5% of the Company's issued share capital at the time of exercise.

The number and weighted average exercise prices of the above plans are as follows:

	30 June 2012		**30 June 2011**	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at 1 July	3,372,704	79p	3,110,220	82p
Forfeited during the year	(974,904)	50p	–	–
Granted during the year	974,904	50p	262,484	50p
Exercised during the year	–	–	–	–
Outstanding and exercisable at 30 June	3,372,704	79p	3,372,704	79p

The warrants granted during the period did not have any significant fair value.

No charge (2011: £nil) has been made for share based payments as it is not considered to be material. In accordance with the requirements of IFRS 2 share-based payments, the weighted average estimated fair value for the warrants granted was calculated as 0.02p per warrant using a Black and Scholes option pricing model. The volatility measured as the standard deviation of expected share price return is based on statistical analysis of the share price for the twelve months prior to the date of grant, being 14 May 2012 and this has been calculated at 41.13%. The risk free rate has been taken as 0.6%. The expected life of the warrants has been estimated at 3 years.

22. Statement of movement on reserves

Consolidated

	Share-based payment reserve £'000	Foreign exchange reserve £'000	Revaluation reserve £'000	Accumulated losses £'000
At 1 July 2011	**265**	**125**	**–**	**(17,430)**
Cost of share-based payments	**–**	**–**	**–**	**–**
Current year loss	**–**	**–**	**–**	**(1,836)**
Currency translation differences on foreign operations	**–**	**143**	**–**	**–**
At 30 June 2012	**265**	**268**	**–**	**(19,266)**

Company

	Share-based payment reserve £'000	Foreign exchange reserve £'000	Revaluation reserve £'000	Accumulated losses £'000
At 1 July 2011	**265**	**–**	**–**	**(17,292)**
Cost of share-based payments	**–**	**–**	**–**	**–**
Current year loss	**–**	**–**	**–**	**(1,633)**
Currency translation differences on foreign operations	**–**	**142**	**–**	**–**
At 30 June 2012	**265**	**142**	**–**	**(18,925)**

23. Reconciliation of movements in shareholders' funds

	Consolidated		Company	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Loss for the year	**(1,836)**	(1,550)	**(1,633)**	(1,533)
Shares issued less costs	**–**	6,916	**–**	6,916
Currency translation differences on foreign currency operations	**143**	58	**142**	–
Cost of share-based payments	**–**	–	**–**	–
Opening shareholders' funds	**14,718**	9,294	**14,731**	9,348
Closing shareholders' funds	**13,025**	14,718	**13,240**	14,731

24. Reconciliation of operating loss to net cash outflow from operating activities

	Consolidated		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Group operating loss	**(1,652)**	(1,555)	**(1,640)**	(1,538)
Depreciation and amortisation	**8**	10	**8**	10
Share-based payment charge	**–**	–	**–**	–
VAT refunds received	**(60)**	(39)	**(60)**	(39)
Foreign exchange loss/(gain)	**(56)**	–	**(56)**	–
Subsidiary loss prior period	**(2)**	–	**–**	–
Decrease/(increase) in debtors	**(9)**	–	**(8)**	–
Increase/(decrease) in creditors	**118**	(65)	**44**	(9)
Net cash outflow from operating activities	**(1,653)**	(1,649)	**(1,712)**	(1,576)

25. Analysis of changes in net funds

	30 June 2011 £'000	Cash flows excluding acquisitions £'000	Cash acquired with subsidiaries £'000	**30 June 2012 £'000**
Cash at bank and in hand (net funds)	4,418	(131)	–	**4,287**

26. Reconciliation of net cash flow to movement in net funds

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
(Decrease)/increase in cash	**(131)**	2,480
Opening net funds	**4,418**	1,938
Net funds as at 30 June	**4,287**	4,418

27. Related party transactions

(a) Parent entity

The parent entity within the Group is Bezant Resources Plc.

(b) Subsidiaries

Interests in subsidiaries are set out in note 16.

(c) Associates

Interests in associates are set out in note 16.

27. Related party transactions (continued)

(d) Transactions with related parties

The following table provides details of payments to related parties during the year and outstanding balances at the balance sheet date:

Group	30 June 2012		30 June 2011	
	Paid during the year £'000	Outstanding balances at the balance sheet date £'000	Paid during the year £'000	Outstanding balances at the balance sheet date £'000
Limerick Global Consulting Pty. Ltd	**390**	**–**	90	–
Serengeti Resources Pty. Ltd	**360**	**–**	72	–
Metallurgical Management Services Pty. Ltd	**50**	**–**	50	–
	800	**–**	212	–

Related parties

Limerick Global Consulting Pty. Ltd is a consultancy company controlled by the director Mr. Gerard Nealon. Serengeti Resources Pty. Ltd is a consultancy company controlled by the director Dr. Bernard Olivier. Metallurgical Management Services Pty. Ltd is a consultancy company controlled by the director Dr. Evan Kirby.

Related party transactions

Serengeti Resources Pty. Ltd, a consulting company controlled by Dr. B. Olivier received £240,000 during the period, additionally Limerick Global Consulting Pty. Ltd a consulting company controlled by Mr. G. Nealon received £260,000 during the period. The net funds from these payments after tax, were used by each Director to purchase shares, on market, in the Company. Both amounts were awarded by the Remuneration Committee following the agreement of the option to dispose of Asean Copper Investments Limited and receipt of the US$7 million non-refundable deposit. Both amounts have been included within administration expenses.

28. Commitments

The Company has committed to provide continued financial support to its associate in the Philippines and has undertaken not to call upon its loan advances to that entity before 30 June 2013.

29. Contingent liabilities

Litigation is ongoing against the Group relating to an historic alleged claim for a 40% interest in the Mankayan Project, as disclosed in June 2007 at the time of the Group's acquisition of Asean. The information usually required by IAS 37 is not disclosed, because the board of directors believe that to do so would seriously prejudice the outcome of the case. The board of directors are confident that the Group will successfully defend this claim.

30. Events after the balance sheet date

On 15 October 2012, the Company announced the appointment of Mr. Laurence Read as a non-executive Director of the Company.

The Company still awaits confirmation as to Gold Field's intentions with respect to the potential exercise of its Option with the Company with regards to the Mankayan Project.

There has not arisen in the interval between the year end and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to effect:

(i) The Company's operations in future financial periods; or

(ii) The results of those operations in future financial periods; or

(iii) The Company's state of affairs in future financial periods.